



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2012**

	Note	Current Quarter 3 months ended		Current financial year-to-date 3 months ended	
		31.03.12 RM'000	31.03.11 RM'000 (Restated)	31.03.12 RM'000	31.03.11 RM'000 (Restated)
Revenue	B1	84,055	24,133	84,055	24,133
Cost of sales		<u>(84,355)</u>	<u>(27,428)</u>	<u>(84,355)</u>	<u>(27,428)</u>
Gross loss		(300)	(3,295)	(300)	(3,295)
Other income		1,067	1,160	1,067	1,160
Administrative expenses		(3,211)	(2,975)	(3,211)	(2,975)
Selling and marketing expenses		(1,706)	(148)	(1,706)	(148)
Other expenses		(130)	(157)	(130)	(157)
Finance costs		(1)	(4)	(1)	(4)
Share of results of an associate		<u>286</u>	<u>720</u>	<u>286</u>	<u>720</u>
Loss before taxation	A10	<u>(3,995)</u>	<u>(4,699)</u>	<u>(3,995)</u>	<u>(4,699)</u>
Income tax	B5	<u>(351)</u>	<u>802</u>	<u>(351)</u>	<u>802</u>
Loss net of tax, representing total comprehensive income for the period		<u>(4,346)</u>	<u>(3,897)</u>	<u>(4,346)</u>	<u>(3,897)</u>
Loss per share					
- Basic/Diluted (sen)	B13	<u>(1.20)</u>	<u>(1.08)</u>	<u>(1.20)</u>	<u>(1.08)</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 2011 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 2012

	As at 31.03.12 RM'000	As at 31.12.11 RM'000 (Restated)	As at 01.01.11 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	47,704	49,534	50,002
Investment properties	24,323	24,453	24,974
Investment in associate	9,154	10,074	9,361
	<u>81,181</u>	<u>84,061</u>	<u>84,337</u>
Current Assets			
Inventories	39,507	33,845	11,390
Trade receivables	74,780	40,842	17,253
Other receivables	5,422	10,030	5,098
Due from holding companies	1,445	1,226	528
Due from related companies	567	655	914
Tax recoverable	801	881	5,257
Cash and cash equivalents	34,745	61,810	100,712
	<u>157,267</u>	<u>149,289</u>	<u>141,152</u>
TOTAL ASSETS	<u>238,448</u>	<u>233,350</u>	<u>225,489</u>
EQUITY AND LIABILITIES			
Share capital	72,000	72,000	72,000
Share premium	97,911	97,911	97,911
ESOS reserves	250	250	250
Retained profits	7,823	12,169	31,350
Total Equity	<u>177,984</u>	<u>182,330</u>	<u>201,511</u>
Non-Current Liabilities			
Borrowings	113	54	79
Deferred tax liabilities	1,824	1,863	5,120
	<u>1,937</u>	<u>1,917</u>	<u>5,199</u>
Current Liabilities			
Trade payables	29,655	23,546	7,824
Other payables	25,282	22,508	8,280
Borrowings	24	25	347
Due to holding companies	2,857	2,524	1,926
Due to related companies	-	-	58
Tax payable	709	500	344
	<u>58,527</u>	<u>49,103</u>	<u>18,779</u>
Total Liabilities	<u>60,464</u>	<u>51,020</u>	<u>23,978</u>
TOTAL EQUITY AND LIABILITIES	<u>238,448</u>	<u>233,350</u>	<u>225,489</u>
NET ASSETS PER SHARE (RM)	<u>0.49</u>	<u>0.51</u>	<u>0.56</u>

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 PERIOD ENDED 31 MARCH 2012

	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 2011 (As previously stated)	72,000	97,911	250	29,615	199,776
Effects of adopting MFRS	-	-	-	1,735	1,735
At 1 January 2011 (Restated)	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>31,350</u>	<u>201,511</u>
Loss net of tax, representing total comprehensive income for the year	-	-	-	(3,897)	(3,897)
At 31 March 2011	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>27,453</u>	<u>197,614</u>
At 1 January 2012 (Restated)	72,000	97,911	250	12,169	182,330
Loss net of tax, representing total comprehensive income for the year	-	-	-	(4,346)	(4,346)
At 31 March 2012	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>7,823</u>	<u>177,984</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 2011 and the accompanying explanatory notes attached to the Interim Financial Statements.

**LCTH CORPORATION BERHAD (633871-A)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2012**

	3 months ended	
	31.03.12	31.03.11
	RM'000	RM'000
		(Restated)
Loss before tax	(3,995)	(4,699)
Adjustments items :		
Depreciation and amortisation	2,853	2,380
Interest and investment income	(286)	(391)
Interest expense	1	4
Gain on disposal of other property, plant and equipment	(36)	(30)
Net unrealised loss on foreign exchange	582	536
Share of results of an associate	(286)	(720)
Property, plant and equipment written off	-	1
Operating loss before working capital changes	<u>(1,167)</u>	<u>(2,919)</u>
Inventories	(5,662)	(1,327)
Receivables	(29,462)	(2,507)
Payables	8,637	2,113
Cash used in operations	<u>(27,654)</u>	<u>(4,640)</u>
Income tax (paid)/refunded	(101)	4,595
Net cash used in operating activities	<u>(27,755)</u>	<u>(46)</u>
Investing activities		
Placement of deposits held under lien	-	(7,540)
Interest received	178	242
Investment income	108	150
Dividend received (net)	1,204	-
Purchase of property, plant and equipment	(894)	(220)
Proceeds from disposal of plant and equipment	36	93
Net cash generated from/(used in) investing activities	<u>632</u>	<u>(7,275)</u>
Financing activities		
Proceed/(repayment) of hire purchase	58	(187)
Net cash generated from/(used in) financing activities	<u>58</u>	<u>(187)</u>
Net decrease in cash and cash equivalents	(27,065)	(7,508)
Cash and cash equivalents :		
At beginning of the financial year	<u>54,270</u>	<u>100,712</u>
At end of the financial period	<u>27,205</u>	<u>93,204</u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	8,517	36,055
Fixed deposits with licensed banks	10,109	19,801
Repurchase agreements (REPO)	7,500	16,958
Short term investments	8,619	27,930
	<u>34,745</u>	<u>100,744</u>
Less: Deposits held under lien	(7,540)	(7,540)
	<u>27,205</u>	<u>93,204</u>

The unaudited Condensed Consolidated Cash flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements.

LCTH CORPORATION BERHAD

(633871-A)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1st QUARTER ENDED 31 MARCH 2012

A COMPLIANCE WITH FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A1 First-Time Adoption of Malaysian Financial Reporting Standards (“MFRS”)

This condensed consolidated interim financial statements (“Condensed Report”) have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”). For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

This Condensed Report is the Group’s first MFRS compliant Condensed Report and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1.

The Group has not adopted any new/revised MFRSs that has been issued as at the date of authorisation of these Interim Financial Statements but is not yet effective for the Group. The impact of the transition from FRS to MFRS is described in Note A2 below.

A2 Significant Accounting Policies and application of MFRS 1

Application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Definition of Cash and Cash Equivalents

Under FRS, the Group defined all its cash in hand and at banks, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts as cash and cash equivalents.

A2 Significant Accounting Policies and application of MFRS 1 (Continued)

Application of MFRS 1 (Continued)

(a) Definition of Cash and Cash Equivalents (Continued)

Upon transition to MFRS, the Group redefined its cash and cash equivalents to mean cash balances, bank deposits and short term investments with maturities of three months or less. For the purpose of statement of cash flows, deposit held under lien is excluded, net of outstanding bank overdrafts. The comparative information for the relevant periods in the condensed consolidated statements of cash flow has been restated accordingly.

Reconciliation of cash flows for the period ended 31 March 2011:

	FRS for the period ended 31.03.2011 RM'000	Reclassification RM'000	MFRS for the period ended 31.03.12 RM'000
Increase in placement of deposit held under lien	-	(7,540)	(7,540)
Net cash generated from/(used in) investing activities	265	(7,540)	(7,275)
Cash and cash equivalents at end of the period	100,744	(7,540)	93,204

(b) Property, plant and equipment

Under FRS, all items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recognized in profit or loss as incurred. Subsequent to recognition, properties are stated at cost less accumulated depreciation and any accumulated impairment loss.

Upon the transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the fair value of leasehold land and building at the date of transition as its deemed cost at that date. As at that date, an increase of RM 1,735,000 (31 March 2011: RM1,724,000; 31 December 2011: RM1,696,000) was recognized in property, plant and equipment and retained earnings.

A2 Significant Accounting Policies and application of MFRS 1 (Continued)

Application of MFRS 1 (Continued)

(b) Property, plant and equipment (Continued)

(i) Reconciliation of equity as at 1 January 2011

	FRS as at 1.1.2011 RM'000	Adjustment RM'000	MFRS as at 1.1.2011 RM'000
Property, plant and equipment	48,267	1,735	50,002
Retained earnings	29,615	1,735	31,350

(ii) Reconciliation of equity as at 31 March 2011

	FRS as at 31.3.2011 RM'000	Adjustment RM'000	MFRS as at 31.3.2011 RM'000
Property, plant and equipment	46,184	1,725	47,909
Retained earnings	25,728	1,725	27,453

(iii) Reconciliation of equity as at 31 December 2011

	FRS as at 31.12.2011 RM'000	Adjustment RM'000	MFRS as at 31.12.2011 RM'000
Property, plant and equipment	47,838	1,696	49,534
Retained earnings	10,473	1,696	12,169

(iv) Reconciliation of total comprehensive income for the period ended 31 March 2011

	FRS for the period ended 31.3.2011 RM'000	Adjustment RM'000	MFRS for the period ended 31.3.2011 RM'000
Administrative expenses	2,965	10	2,975
Loss before tax	4,689	10	4,699

A2 Significant Accounting Policies and application of MFRS 1 (Continued)

Application of MFRS 1 (Continued)

(b) Property, plant and equipment (Continued)

(v) Reconciliation of total comprehensive income for the period ended 31 December 2011

	FRS for the period ended 31.12.2011 RM'000	Adjustment RM'000	MFRS for the period ended 31.12.2011 RM'000
Administrative expenses	10,252	39	10,291
Loss before tax	21,477	39	21,516

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 2011 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 2012.

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 Loss before taxation

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

	Current Quarter 3 months ended		Current Financial year-to-date 3 months ended	
	31.03.12 RM'000	31.03.11 RM'000	31.03.12 RM'000	31.03.11 RM'000
Interest Income	(178)	(241)	(178)	(241)
Investment Income	(108)	(150)	(108)	(150)
Interest Expense	1	4	1	4
Rental Income	(639)	(623)	(639)	(623)
Amortisation of prepaid land lease payment	27	-	27	-
Depreciation of property, plant and equipment	2,696	2,250	2,696	2,250
Depreciation of investment properties	130	130	130	130
Gain on disposal of property, plant and equipment	(36)	(30)	(36)	(30)
Impairment loss on property, plant and equipment	-	-	-	-
Foreign exchange loss	684	626	684	626
Gain or loss on disposal of quoted or unquoted investment or properties	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-

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 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 31 March 2012</u>				
Revenue	3,768	81,626	(1,339)	84,055
Results				
Segment results	1,273	(234)	(1,339)	(300)
<u>Quarter ended 31 March 2011</u>				
Revenue	3,636	23,603	(3,106)	24,133
Results				
Segment results	2,912	(3,101)	(3,106)	(3,295)

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 RM 4,382,438.96.

There were no contingent assets since the last financial year ended 31 December 2011.

A14 Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 March 2012 are as follows:

	RM'000
Approved and contracted for	<u>728</u>
Approved but not contracted for	<u>7</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 RM84.1 million for the current quarter, increased by 249% compared to RM24.1 million posted in the corresponding quarter of 2011. This is mainly due to the new major project which started production in November 2011. However, the Group reported a gross loss of RM0.3 million for the current quarter which is attributed to the new major project still running at initial stage and has yet to achieve the optimal operational efficiency.

The Group posted a loss before tax of RM4.3 million for 3-months period under review, after accounting for foreign exchange revaluation loss of RM0.7 million and outward freight charges of RM1.7 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 RM43.7 million or 108% as compared to the 4th quarter of 2011. The gross margin improved by 97% compared to 4th quarter of 2011 mainly due to the contribution from the new major project.

The Group reported a loss before tax of RM4.0 million compared to RM6.9 million in the immediate preceding quarter.

B3 Prospects

During the period under review, the Group secured two (2) more new projects from an existing major customer which is expected to contribute positively to the Group during the financial year. The board of directors is confident that the Group overall performance will improve in the coming quarters.

Apart from that, the Group will also 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 31.03.12 RM'000	Current financial year-to- date 31.03.12 RM'000
Income tax	390	390
Deferred tax	(39)	(39)
	<u>351</u>	<u>351</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 that 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 31.03.12 RM'000	As at 31.12.11 RM'000
Short term borrowings		
Secured – Finance lease	24	25
	<u>24</u>	<u>25</u>
Long term borrowings		
Secured – Finance lease	113	54
	<u>113</u>	<u>54</u>
	<u>137</u>	<u>79</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 31.03.12	Current financial year-to-date 31.03.12
Loss attributable to shareholders (RM'000)	(4,346)	(4,346)
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Loss per share (sen)	<u>(1.20)</u>	<u>(1.20)</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 31.12.11 RM'000 (Restated)	At end of current quarter 31.03.12 RM'000
Total retained profits before adjustments		
-Realised profits	98,131	97,288
-Unrealised losses	<u>(1,792)</u>	<u>(2,405)</u>
	<u>96,339</u>	<u>94,883</u>
Total share of retained profits from associate		
-Realised profits	4,225	3,256
-Unrealised losses	<u>(551)</u>	<u>(502)</u>
	3,674	2,754
Less: Consolidation adjustments	<u>(87,844)</u>	<u>(89,814)</u>
	<u>(84,170)</u>	<u>(87,060)</u>
Retained profits	<u>12,169</u>	<u>7,823</u>

By Order of the Board

Company Secretary