



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2012**

	Note	Current Quarter 3 months ended		Current financial year-to-date	
		30.06.12 RM'000	30.06.11 RM'000 (Restated)	30.06.12 RM'000	30.06.11 RM'000 (Restated)
Revenue	B1	96,795	27,061	180,850	51,194
Cost of sales		<u>(97,560)</u>	<u>(30,726)</u>	<u>(181,915)</u>	<u>(58,154)</u>
Gross loss		(765)	(3,665)	(1,065)	(6,960)
Other income		893	1,201	1,964	2,361
Administrative expenses		(2,391)	(2,924)	(5,602)	(5,899)
Selling and marketing expenses		(2,687)	(162)	(4,393)	(310)
Impairment loss on property, plant and equipment		(7,500)	-	(7,500)	-
Other expenses		(185)	(158)	(315)	(315)
Finance costs		(2)	(2)	(3)	(6)
Share of results of an associate		439	1,020	725	1,740
Loss before taxation	A9	<u>(12,198)</u>	<u>(4,690)</u>	<u>(16,189)</u>	<u>(9,389)</u>
Income tax	B5	<u>796</u>	<u>613</u>	<u>445</u>	<u>1,415</u>
Loss net of tax, representing total comprehensive loss for the period		<u>(11,402)</u>	<u>(4,077)</u>	<u>(15,744)</u>	<u>(7,974)</u>
Loss per share					
- Basic/Diluted (sen)	B10	<u>(3.17)</u>	<u>(1.13)</u>	<u>(4.37)</u>	<u>(2.21)</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 30 JUNE 2012

	Note	As at 30.06.12 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		38,442	49,534	50,002
Investment properties		24,192	24,453	24,974
Investment in associate		9,594	10,074	9,361
		<u>72,228</u>	<u>84,061</u>	<u>84,337</u>
Current Assets				
Inventories		36,146	33,845	11,390
Trade receivables		83,806	40,842	17,253
Other receivables		4,800	10,030	5,098
Due from holding companies		1,654	1,226	528
Due from related companies		561	655	914
Tax recoverable		802	881	5,257
Cash and cash equivalents		34,259	61,810	100,712
		<u>162,028</u>	<u>149,289</u>	<u>141,152</u>
TOTAL ASSETS		<u>234,256</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/(Accumulated losses)		(3,575)	12,169	31,350
Total Equity		<u>166,586</u>	<u>182,330</u>	<u>201,511</u>
Non-Current Liabilities				
Borrowings	B7	113	54	79
Deferred tax liabilities		772	1,863	5,120
		<u>885</u>	<u>1,917</u>	<u>5,199</u>
Current Liabilities				
Trade payables		43,879	23,546	7,824
Other payables		21,678	22,508	8,280
Borrowings	B7	16	25	347
Due to holding companies		353	2,524	1,926
Due to related companies		-	-	58
Tax payable		859	500	344
		<u>66,785</u>	<u>49,103</u>	<u>18,779</u>
Total Liabilities		<u>67,670</u>	<u>51,020</u>	<u>23,978</u>
TOTAL EQUITY AND LIABILITIES		<u>234,256</u>	<u>233,350</u>	<u>225,489</u>
NET ASSETS PER SHARE (RM)		<u>0.46</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 30 JUNE 2012

	Share Capital RM'000	Non- Distributable Share Premium RM'000	ESOS Reserve RM'000	Distributable Retained Profits/ (Accumulated Losses) 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 loss for the year	-	-	-	(7,974)	(7,974)
At 30 June 2011	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>23,376</u>	<u>193,537</u>
At 1 January 2012 (Restated)	72,000	97,911	250	12,169	182,330
Loss net of tax, representing total comprehensive loss for the year	-	-	-	(15,744)	(15,744)
At 30 June 2012	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>(3,575)</u>	<u>166,586</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 30 JUNE 2012**

	6 months ended	
	30.06.12	30.06.11
	RM'000	RM'000
		(Restated)
Loss before tax	(16,189)	(9,389)
Adjustments items :		
Depreciation and amortisation	5,677	4,793
Interest and investment income	(452)	(901)
Interest expense	3	6
Gain on disposal of other property, plant and equipment	(36)	(45)
Impairment loss on property, plant and equipment	7,500	-
Net unrealised loss on foreign exchange	57	692
Share of results of an associate	(725)	(1,740)
Operating loss before working capital changes	<u>(4,165)</u>	<u>(6,584)</u>
Inventories	(2,301)	(2,792)
Receivables	(38,077)	(4,302)
Payables	17,286	4,376
Cash used in operations	<u>(27,257)</u>	<u>(9,302)</u>
Interest expense	(3)	(6)
Income tax (paid)/refunded	(207)	4,377
Net cash used in operating activities	<u>(27,467)</u>	<u>(4,931)</u>
Investing activities		
Placement of deposits held under lien	-	(7,540)
Interest received	301	543
Investment income	151	358
Dividend received (net)	1,204	2,960
Purchase of property, plant and equipment	(1,768)	(3,384)
Proceeds from disposal of plant and equipment	36	127
Net cash used in investing activities	<u>(76)</u>	<u>(6,936)</u>
Financing activities		
Repayment of hire purchase	(8)	(331)
Net cash generated from/(used in) financing activities	<u>(8)</u>	<u>(331)</u>
Net decrease in cash and cash equivalents	<u>(27,551)</u>	<u>(12,198)</u>
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>26,719</u>	<u>88,514</u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	10,372	25,962
Fixed deposits with licensed banks	12,516	22,541
Repurchase agreements (REPO)	2,700	19,500
Short term investments	8,671	28,051
	<u>34,259</u>	<u>96,054</u>
Less: Deposits held under lien	(7,540)	(7,540)
	<u>26,719</u>	<u>88,514</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

2nd QUARTER ENDED 30 JUNE 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 30 June 2011:

	FRS for the period ended 30.6.2011 RM'000	Reclassification RM'000	MFRS for the period ended 30.06.2011 RM'000
Increase in placement of deposit held under lien	-	(7,540)	(7,540)
Net cash generated from/(used in) investing activities	604	(7,540)	(6,936)
Cash and cash equivalents at end of the period	96,054	(7,540)	88,514

(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 re-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 (30 June 2011: RM1,715,000; 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 30 June 2011

	FRS as at 30.06.2011 RM'000	Adjustment RM'000	MFRS as at 30.06.2011 RM'000
Property, plant and equipment	47,057	1,715	48,772
Retained earnings	21,661	1,715	23,376

(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 30 June 2011

	FRS for the period ended 30.06.2011 RM'000	Adjustment RM'000	MFRS for the period ended 30.06.2011 RM'000
Administrative expenses	5,879	20	5,899
Loss before tax	9,369	20	9,389

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 30 June 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 6 months ended	
	30.06.12 RM'000	30.06.11 RM'000	30.06.12 RM'000	30.06.11 RM'000
Interest Income	(123)	(302)	(301)	(543)
Investment Income	(43)	(208)	(151)	(358)
Interest Expense	2	2	3	6
Rental Income	(647)	(623)	(1,286)	(1,246)
Amortisation of prepaid land lease payment	28	-	55	-
Depreciation of property, plant and equipment	2,666	2,262	5,362	4,512
Depreciation of investment properties	130	130	260	260
Gain on disposal of property, plant and equipment	(36)	(15)	(36)	(45)
Impairment loss on property, plant and equipment	7,500	-	7,500	-
Foreign exchange loss	(30)	21	654	647
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.

	Local RM'000	Export RM'000	Elimination RM'000	Group RM'000
<u>Quarter ended 30 June 2012</u>				
Revenue	8,648	173,675	(1,473)	180,850
Results				
Segment results-gross profit/(loss)	1,285	(877)	(1,473)	(1,065)
<u>Quarter ended 30 June 2011</u>				
Revenue	4,553	49,601	(2,960)	51,194
Results				
Segment results-gross profit/(loss)	2,391	(6,391)	(2,960)	(6,960)

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 11,616,529.

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 30 June 2012 are as follows:

	RM'000
Approved and contracted for	<u>2,311</u>
Approved but not contracted for	<u>14</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 RM96.8 million for the current quarter, increased by 258% compared to RM27.1 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 RM0.8 million for the current quarter which is attributed to the new major project has yet to achieve the optimal operational efficiency.

The Group's revenue of RM181 million for the 6 month period ended 30 June 2012 is 253% higher compared to RM 51.2 million for the same period of 2011. The significant increase in revenue is mainly attributed to new major project as mentioned above. The Group recorded a gross loss of RM1.1 million for the financial period under review compared to the gross loss of RM 7 million reported in the corresponding period.

The Group posted a loss before tax of RM16.2 million for the period under review, after accounting for foreign exchange revaluation loss of RM0.6 million and impairment loss on property, plant and equipment of RM7.5 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 RM12.7 million or 15% as compared to the 1st quarter of 2012. The Group reported a loss before tax of RM12.2 million compared to RM4 million in the immediate preceding quarter. This is mainly due to the impairment loss on property, plant and equipment of RM7.5 million posted in the current quarter.

B3 Prospects

The Group's business in the upcoming months will be challenging as the Euro-debt crisis impacts demand for consumer products. The Group's major project has accordingly been affected with reduction of orders from customer.

Despite the keen competition, the Group will endeavour to secure more new projects from existing and new customers to cover the reduction in sales order as well as minimize concentration risk on one major customer. In addition, the Group will continue to intensify its efforts to improve 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 30.06.12 RM'000	Current financial year-to- date 30.06.12 RM'000
Income tax	256	646
Deferred tax	(1,052)	(1,091)
	<u>796</u>	<u>445</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 30.06.12 RM'000	As at 31.12.11 RM'000
Short term borrowings		
Secured – Finance lease	16	25
	<u>16</u>	<u>25</u>
Long term borrowings		
Secured – Finance lease	113	54
	<u>113</u>	<u>54</u>
	<u>129</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 30.06.12	Current financial year-to-date 30.06.12
Loss attributable to shareholders (RM'000)	(11,402)	(15,744)
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Loss per share (sen)	<u>(3.17)</u>	<u>(4.37)</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 31.03.12 RM'000 (Restated)	At end of current quarter 30.06.12 RM'000
Total retained profits before adjustments		
-Realised profits	95,602	80,189
-Unrealised(losses)/profits	<u>(719)</u>	<u>906</u>
	<u>94,883</u>	<u>81,095</u>
Total share of retained profits from associate		
-Realised profits	3,256	3,194
-Unrealised losses	<u>(502)</u>	<u>(479)</u>
	2,754	2,715
Less: Consolidation adjustments	<u>(89,814)</u>	<u>(87,385)</u>
	<u>(87,060)</u>	<u>(84,670)</u>
Retained profits /(Accumulated losses)	<u>7,823</u>	<u>(3,575)</u>

By Order of the Board

Company Secretary