



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	Current Quarter 3 months ended		Current financial year-to-date 3 months ended	
		31.03.13 RM'000	31.03.12 RM'000	31.03.13 RM'000	31.03.12 RM'000
Revenue	<b>B1</b>	48,197	84,055	48,197	84,055
Cost of sales		<u>(47,280)</u>	<u>(84,355)</u>	<u>(47,280)</u>	<u>(84,355)</u>
<b>Gross profit/(loss)</b>		917	(300)	917	(300)
Other income		833	1,067	833	1,067
Administrative expenses		(2,607)	(3,211)	(2,607)	(3,211)
Selling and marketing expenses		(613)	(1,706)	(613)	(1,706)
Other expenses		(69)	(130)	(69)	(130)
Finance costs		(1)	(1)	(1)	(1)
Share of results of an associate		71	286	71	286
<b>Loss before tax</b>	<b>A10</b>	<u>(1,469)</u>	<u>(3,995)</u>	<u>(1,469)</u>	<u>(3,995)</u>
Income tax expense	<b>B5</b>	<u>(280)</u>	<u>(351)</u>	<u>(280)</u>	<u>(351)</u>
<b>Loss net of tax, representing total comprehensive loss for the period</b>		<u>(1,749)</u>	<u>(4,346)</u>	<u>(1,749)</u>	<u>(4,346)</u>
<b>Loss per share</b>					
- Basic (sen)	<b>B10</b>	<u>(0.49)</u>	<u>(1.20)</u>	<u>(0.49)</u>	<u>(1.20)</u>
- Diluted ( sen )	<b>B10</b>	<u>(0.49)</u>	<u>(1.20)</u>	<u>(0.49)</u>	<u>(1.20)</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 2012 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 2013**

	Note	As at 31.03.13 RM'000	As at 31.12.12 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		26,001	38,386
Investment properties		23,802	23,932
Investment in associate		9,682	10,827
		<u>59,485</u>	<u>73,145</u>
<b>Current Assets</b>			
Inventories		20,576	25,013
Trade receivables		47,724	36,470
Other receivables		4,437	5,742
Due from holding companies		2,300	2,056
Due from related companies		480	495
Tax recoverable		401	4,775
Cash and cash equivalents		54,806	54,609
		<u>130,724</u>	<u>129,161</u>
Assets classified as held for sale		11,679	-
<b>TOTAL ASSETS</b>		<u>201,887</u>	<u>202,306</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		72,000	72,000
Share premium		97,911	97,911
ESOS reserves		250	250
Accumulated losses		(13,486)	(11,737)
<b>Total Equity</b>		<u>156,675</u>	<u>158,424</u>
<b>Non-Current Liabilities</b>			
Borrowings	B7	78	78
Deferred tax liabilities		1,224	1,265
		<u>1,302</u>	<u>1,343</u>
<b>Current Liabilities</b>			
Trade payables		17,798	18,540
Other payables		20,228	18,906
Borrowings	B7	25	34
Due to holding companies		5,454	4,774
Due to related companies		20	-
Tax payable		384	286
		<u>43,910</u>	<u>42,539</u>
<b>Total Liabilities</b>		<u>45,212</u>	<u>43,882</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>201,887</u>	<u>202,306</u>
<b>NET ASSETS</b>		<u>156,675</u>	<u>158,424</u>
<b>NET ASSETS PER SHARE (RM)</b>		<u>0.44</u>	<u>0.44</u>

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013**

	<b>Share Capital RM'000</b>	<b>Non- Distributable Share Premium RM'000</b>	<b>ESOS Reserve RM'000</b>	<b>Distributable Retained Profits/ (Accumulated Losses) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2012</b>	72,000	97,911	250	11,735	181,896
Comprehensive loss for the year	-	-	-	(23,472)	(23,472)
<b>At 31 December 2012</b>	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>(11,737)</u>	<u>158,424</u>
<b>At 1 January 2013</b>	72,000	97,911	250	(11,737)	158,424
Comprehensive loss for the period	-	-	-	(1,749)	(1,749)
<b>At 31 March 2013</b>	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>(13,486)</u>	<u>156,675</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 2012 and the accompanying explanatory notes attached to the Interim Financial Statements.

**LCTH CORPORATION BERHAD (633871-A)**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2013**

	<b>3 months ended</b>	
	<b>31.03.13</b>	<b>31.03.12</b>
	<b>RM'000</b>	<b>RM'000</b>
Loss before tax	(1,469)	(3,995)
Adjustments items :		
Depreciation and amortisation	2,129	2,853
Interest and investment income	(196)	(286)
Interest expense	1	1
Loss/(gain) on disposal of other property, plant and equipment	33	(36)
Net unrealised (gain)/loss on foreign exchange	(85)	583
Share of results of an associate	(71)	(286)
Operating profit/(loss) before working capital changes	342	(1,166)
Inventories	4,437	(5,662)
Receivables	(10,177)	(29,462)
Payables	1,366	8,637
Cash used in operations	(4,032)	(27,653)
Interest expense	(1)	(1)
Income tax refunded/(paid)	4,151	(101)
Net cash generated from/(used in) operating activities	118	(27,755)
<b>Investing activities</b>		
Interest received	153	178
Investment income	43	108
Dividend received (net)	1,216	1,204
Purchase of property, plant and equipment	(1,343)	(894)
Proceeds from disposal of plant and equipment	18	36
Net cash generated from investing activities	87	632
<b>Financing activities</b>		
(Repayment of)/proceeds from hire purchase	(8)	58
Net cash (used in)/generated from financing activities	(8)	58
<b>Net increase/(decrease) in cash and cash equivalents</b>	197	(27,065)
<b>Cash and cash equivalents :</b>		
<b>At beginning of the financial year</b>	46,689	54,270
<b>At end of the financial year</b>	46,886	27,205
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	21,741	8,517
Fixed deposits with licensed banks	15,550	10,109
Repurchase agreements (REPO)	8,650	7,500
Short term investments	8,865	8,619
	54,806	34,745
Less: Deposits held under lien	(7,920)	(7,540)
	46,886	27,205

The unaudited Condensed Consolidated Cash flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the Interim Financial Statements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**1<sup>st</sup> QUARTER ENDED 31 MARCH 2013**

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

**A1 Corporate Information**

LCTH Corporation Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements were approved by the Board of Directors on 13 May 2013.

**A2 Basis of Preparation**

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.

The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2012. The explanatory notes attached to these condensed consolidated 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 2012.

**A3 Significant Accounting Policies**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2012 except for the adoption of the following which are applicable to its financial statements and are relevant to its operations:

(i) Adoption of standards and interpretations

- MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)
- MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
- MFRS 10 Consolidated Financial Statements
- MFRS 11 Joint Arrangements
- MFRS 12 Disclosure of interests in Other Entities
- MFRS 13 Fair Value Measurement
- MFRS 119 Employee Benefits
- MFRS 127 Separate Financial Statements
- MFRS 128 Investment in Associates and Joint Ventures
- MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)
- Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

### **A3 Significant Accounting Policies ( cont'd )**

Amendments to MFRS 1: First time Adoption of Malaysian Financial Reporting Standards - Government Loan  
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance  
Amendments to MFRS 11: Joint Arrangements: Transition Guidance  
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance  
Amendment to MFRSs contained in the document entitled “Annual Improvements 2009-2011 Cycle”

The adoption of the above standards and interpretations do not have significant financial impact to the Group’s consolidated financial statements of the current quarter.

(ii) Standards and interpretations issued but not yet effective

At the date of authorization of these interim financial statements, the followings standards and interpretations were issued but not yet effective and have not been applied by the Group:

<u>Description</u>		<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities	1 January 2014
MFRS 9	Financial Instruments	1 January 2015

The adoption of these standards above will have no material impact on the financial statements in the year of initial adoption.

### **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 2012 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 March 2013.

## 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 tax

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

	Current Quarter		Current Financial	
	3 months ended		year-to-date	
	31.03.13	31.03.12	31.03.13	31.03.12
	RM'000	RM'000	RM'000	RM'000
Interest Income	(153)	(178)	(153)	(178)
Investment Income	(43)	(108)	(43)	(108)
Interest Expense	1	1	1	1
Rental Income	(647)	(639)	(647)	(639)
Amortisation of prepaid land lease payment	30	27	30	27
Depreciation of property, plant and equipment	1,969	2,696	1,969	2,696
Depreciation of investment properties	130	130	130	130
Loss/(gain) on disposal of property, plant and equipment	33	(36)	33	(36)
Foreign exchange (gain)/loss	(209)	684	(209)	684
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	-	-	-	-

## 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.

Segment information was as follows:				
	Local RM'000	Export RM'000	Elimination RM'000	Group RM'000
<b>Year-to-date 3 months ended 31 March 2013</b>				
<b>Revenue</b>	13,984	35,563	(1,350)	48,197
<b>Results</b>				
Segment results-gross profit/( loss )	1,132	1,135	(1,350)	917
<b>Year-to-date 3 months ended 31 March 2012</b>				
<b>Revenue</b>	3,768	81,626	(1,339)	84,055
<b>Results</b>				
Segment results-gross profit/( loss )	1,273	(234)	(1,339)	(300)

## A12 Events after the reporting period

Classic Advantage Sdn Bhd ("CASB"), a wholly-owned subsidiary of the Company, and the Company, have on 24 April 2013 entered into an Agreement for the Sale and Purchase of some of the assets of CASB with Flextronics Technology (Penang) Sdn Bhd. The sale assets relate to assets used for tools fabrication, precision plastic injection moulding, secondary processes and assembly for a major customer (which CASB is still producing for until the termination of the manufacturing contract). The total cash consideration for the proposed disposal is Ringgit Malaysia Twenty-Nine Million and Five Hundred Thousand (RM29,500,000).

Further information on the Proposed Disposal can be found in the announcement the Company released on 24 April 2013.

## 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 RM11,549,116. ( Quarter Ended 31.03.12 : RM4,382,439 ).

There were no contingent assets since the last financial year ended 31 December 2012.



## A15 Capital Commitments

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

	<b>31.03.13</b>	<b>31.03.12</b>
	<b>RM'000</b>	<b>RM'000</b>
Approved and contracted for	253	728

## A16 Related Party Transactions

	<b>Current quarter ended 31.03.13 RM'000</b>
<b>With ultimate holding company:*</b>	
Sale of finished goods	170
Sale of raw materials, spare parts, packaging materials and handling charges	40
Sale of precision moulds and dies	9
Purchase of precision plastic parts and components and precision mould and dies	304
Purchase of property, plant and equipment	197
Management fees	356
<b>With related companies:#</b>	
Sale of raw materials, spare parts, packaging materials	1
Purchase of property, plant and equipment	20

\* Ultimate holding company is Fu Yu Corporation Limited

# Related companies are companies within the Fu Yu Corporation Limited group

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

## A17 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 RM48.2 million for the current quarter, decreased by 42.7% compared to RM84.1 million posted in the corresponding quarter of 2012. This is mainly due to the change of procurement strategy of a major customer which resulted in reduction in orders. However, the Group reported a gross profit of RM0.9 million for the current quarter as compared to gross loss of RM0.3 million in the corresponding quarter of 2012. This is attributed to decrease in low margin projects, decrease in depreciation and some cost-cutting measures implemented by the Group in response to the drop in revenue.

The Group posted a loss before tax of RM1.5 million for the current quarter under review as compared to loss before tax of RM4.0 million in the corresponding quarter. The improvement in gross profit, the exchange gain and decrease in selling and marketing expenses contributed to the better performance of 1<sup>st</sup> quarter of 2013.

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

The Group's revenue increased by RM2.1 million or 4.6% as compared to the 4<sup>th</sup> quarter of 2012. The Group reported a loss before tax of RM1.5 million compared to RM5.4 million in the 4<sup>th</sup> quarter of 2012.

### **B3 Prospects**

As announced by the Company on 24 April 2013, Classic Advantage Sdn Bhd ("CASB"), a major subsidiary of the Company, has entered into an Agreement for the Sale and Purchase of some of the assets of CASB ("Proposed Disposal"). The Proposed Disposal, coupled with the pending execution of a sub-tenancy agreement to sub-let a majority part of the factory to the purchaser, is expected to reduce the operating loss of the Group and better position the Group to turn-around.

Despite the keen competition and the ever uncertain global economic outlook, the Group will strive to secure more new projects from existing and new customers to cushion the reduction in sales order. The Group will focus on right-sizing the operations of CASB and continue to be more focus on its core businesses and costs management to improve the financial results.

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

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

**B5 Income tax expense**

	<b>Current Quarter 3 months ended</b>		<b>Current financial year-to- date</b>	
	<b>31.03.13 RM'000</b>	<b>31.03.12 RM'000</b>	<b>31.03.13 RM'000</b>	<b>31.03.12 RM'000</b>
Income tax	321	390	321	390
Deferred tax	( 41 )	( 39 )	( 41 )	( 39 )
	<u>( 280 )</u>	<u>351</u>	<u>( 280 )</u>	<u>351</u>

The effective tax rate of the Group for the current quarter and financial year to-date was higher than the statutory income tax rate is mainly due to loss in the major 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:

	<b>As at 31.03.13 RM'000</b>	<b>As at 31.12.12 RM'000</b>
<b>Short term borrowings</b>		
Secured – Finance lease	<u>25</u>	<u>34</u>
	<u>25</u>	<u>34</u>
<b>Long term borrowings</b>		
Secured – Finance lease	<u>78</u>	<u>78</u>
	<u>78</u>	<u>78</u>
	<u>103</u>	<u>112</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.

	<b>Current Quarter</b> 3 months ended		<b>Current financial</b> <b>year-to-date</b> 3 months ended	
	<b>31.03.13</b>	<b>31.03.12</b>	<b>31.03.13</b>	<b>31.03.12</b>
Loss attributable to shareholders (RM'000)	( 1,749 )	( 4,346 )	( 1,749 )	( 4,346 )
Weighted average number of ordinary shares in issue ('000)	360,000	360,000	360,000	360,000
Loss per share (sen)	<u>( 0.49 )</u>	<u>( 1.20 )</u>	<u>( 0.49 )</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 Derivative financial instruments**

As at the reporting date of 31 March 2013, the Group has no outstanding derivative financial instruments.

## **B12 Gains/Losses arising from fair value changes of financial liabilities**

There are no gains/losses arising from fair value changes of any financial liabilities.

**B13 Breakdown of realised and unrealised profits or losses of the Group**

	<b>At end of preceding quarter 31.12.12 RM'000</b>	<b>At end of current quarter 31.03.13 RM'000</b>
Total retained profits before adjustments		
-Realised profits	29,379	42,598
-Unrealised losses	<u>( 1,743 )</u>	<u>( 1,139 )</u>
	27,636	41,459
Total share of retained profits from associate		
-Realised profits	4,849	3,699
-Unrealised losses	<u>( 422 )</u>	<u>( 417 )</u>
	4,427	3,282
Less: Consolidation adjustments	<u>( 43,800 )</u>	<u>( 58,227 )</u>
	<u>( 39,373 )</u>	<u>( 54,945 )</u>
Accumulated losses	<u>( 11,737 )</u>	<u>( 13,486 )</u>

**By Order of the Board**

Company Secretary