



## LCTH CORPORATION BERHAD

Company No: 633871-A)

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 3 MONTHS ENDED 31 MARCH 2014

	Note	Current Quarter 3 months ended		Cumulative quarter-to-date 3 months ended	
		31.03.14	31.03.13	31.03.14	31.03.13
		Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	<b>B1</b>	29,771	48,197	29,771	48,197
Cost of sales		(27,276)	(47,280)	(27,276)	(47,280)
<b>Gross profit</b>		<u>2,495</u>	<u>917</u>	<u>2,495</u>	<u>917</u>
Other income		1,293	833	1,293	833
Selling and Administrative expenses		(2,260)	(3,220)	(2,260)	(3,220)
Other expenses		(181)	(69)	(181)	(69)
Finance costs		(1)	(1)	(1)	(1)
Share of results of an associate		39	71	39	71
<b>Profit/(loss) before tax</b>	<b>A10</b>	<u>1,385</u>	<u>(1,469)</u>	<u>1,385</u>	<u>(1,469)</u>
Income tax	<b>B5</b>	<u>(270)</u>	<u>(280)</u>	<u>(270)</u>	<u>(280)</u>
<b>Profit/(loss) for the year representing total comprehensive income/(loss) for the period</b>		<u>1,115</u>	<u>(1,749)</u>	<u>1,115</u>	<u>(1,749)</u>
<b>Total comprehensive income/ (loss) attributable to:</b>					
<b>Equity holders of the Company</b>		<u>1,115</u>	<u>(1,749)</u>	<u>1,115</u>	<u>(1,749)</u>
<b>Earnings/(Loss) per share</b>					
- Basic (sen)	<b>B10</b>	<u>0.31</u>	<u>(0.49)</u>	<u>0.31</u>	<u>(0.49)</u>
- Diluted ( sen )	<b>B10</b>	<u>0.31</u>	<u>(0.49)</u>	<u>0.31</u>	<u>(0.49)</u>

These unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the Interim Financial Statements.

**LCTH CORPORATION BERHAD (633871-A)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2014**

	Note	As at 31.3.14 Unaudited RM'000	As at 31.12.13 Audited RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		24,848	22,697
Investment properties		23,281	23,411
Investment in associate		10,580	10,541
		<u>58,709</u>	<u>56,649</u>
<b>Current Assets</b>			
Inventories		11,526	11,291
Trade receivables		26,404	23,010
Other receivables		4,801	4,996
Due from holding companies		2,790	1,460
Due from related companies		227	297
Tax recoverable		401	418
Short term investment		10,127	10,067
Cash and bank balances	A19	93,524	97,813
		<u>149,800</u>	<u>149,352</u>
<b>TOTAL ASSETS</b>		<u>208,509</u>	<u>206,001</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		72,000	72,000
Share premium		97,911	97,911
ESOS reserves		250	250
Retained profits		5,186	4,071
<b>Total Equity</b>		<u>175,347</u>	<u>174,232</u>
<b>Non-Current Liabilities</b>			
Interest bearing loans and borrowings	B7	42	42
Deferred tax liabilities		1,012	1,050
		<u>1,054</u>	<u>1,092</u>
<b>Current Liabilities</b>			
Trade payables		11,120	10,373
Other payables		14,937	14,897
Interest bearing loans and borrowings	B7	28	36
Due to holding companies		5,055	4,765
Tax payable		968	606
		<u>32,108</u>	<u>30,677</u>
<b>Total Liabilities</b>		<u>33,162</u>	<u>31,769</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>208,509</u>	<u>206,001</u>
<b>NET ASSETS</b>		<u>175,347</u>	<u>174,232</u>
<b>NET ASSETS PER SHARE (RM)</b>		<u>0.49</u>	<u>0.48</u>

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the Interim Financial Statements.

**LCTH CORPORATION BERHAD (633871-A)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 3 MONTHS ENDED 31 MARCH 2014**

	<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>Opening balance at 1 January 2013</b>	72,000	97,911	250	(11,737)	158,424
Comprehensive loss for the period	-	-	-	(1,749)	(1,749)
<b>Closing balance as at 31 March 2013</b>	72,000	97,911	250	(13,486)	156,675
<b>Opening balance at 1 January 2014</b>	72,000	97,911	250	4,071	174,232
Comprehensive profit for the period	-	-	-	1,115	1,115
<b>Closing balance as at 31 March 2014</b>	72,000	97,911	250	5,186	175,347

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 2013 and the accompanying explanatory notes attached to the Interim Financial Statements.

**LCTH CORPORATION BERHAD (633871-A)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2014**

	<b>3 months ended 31.3.14 Unaudited RM'000</b>	<b>3 months ended 31.3.13 Unaudited RM'000</b>
Profit/(loss) before tax	1,385	(1,469)
Adjustments items :		
Depreciation and amortisation	1,062	2,129
Interest income	(460)	(153)
Investment income	(47)	(43)
Interest expense	1	1
Property, plant and equipment written off	56	-
Loss on disposal of property, plant and equipment	2	33
Net unrealised loss/(gain) on foreign exchange	369	(85)
Reversal of doubtful debt	(30)	-
Share of results of an associate	(39)	(71)
Operating profit before working capital changes	<u>2,297</u>	<u>342</u>
Inventories	(234)	4,437
Receivables	(4,368)	(10,177)
Payables	<u>647</u>	<u>1,366</u>
Cash used in operations	(1,659)	(4,032)
Interest expense	(1)	(1)
Income tax refunded	<u>71</u>	<u>4,151</u>
Net cash (used in)/generated from operating activities	<u>(1,589)</u>	<u>118</u>
<b>Investing activities</b>		
Interest received	460	153
Investment income	47	43
Dividend received (net)	-	1,216
Purchase of property, plant and equipment	(3,145)	(1,343)
Proceeds from disposal of property, plant and equipment	4	18
Placement of short term investment	(60)	(52)
Net cash (used in)/Generated from investing activities	<u>(2,693)</u>	<u>35</u>
<b>Financing activities</b>		
Repayment of hire purchase	(8)	(8)
Net cash used in financing activities	<u>(8)</u>	<u>(8)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,289)</b>	<b>145</b>
<b>Cash and cash equivalents :</b>		
<b>At beginning of the financial year</b>	<u>89,893</u>	<u>37,876</u>
<b>At end of the financial period</b>	<u>85,604</u>	<u>38,021</u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash in hand and at bank	16,005	21,741
Deposits with licensed banks	69,840	15,550
Repurchase agreements (REPO)	<u>7,679</u>	<u>8,650</u>
Cash and bank balances	93,524	45,941
Less: Deposits held under lien	<u>(7,920)</u>	<u>(7,920)</u>
	<u>85,604</u>	<u>38,021</u>

The unaudited Condensed Consolidated Cash flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

**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 12 May 2014.

**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 2013. 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 2013.

**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 2013 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:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
<a href="#">Amendments to MFRS 10, MFRS 12 and MFRS 127</a> : Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014

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:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial Instruments: <a href="#"><i>Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139</i></a>	To be announced

The adoption of these standards above will have no material impact on the financial statements in the year of initial adoption except for the followings:

**MFRS 9: Financial Instruments**

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases are issued.

**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 2013 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 year 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 2014.

**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 year to-date.

## A9 Dividend Paid

No dividend was paid during the current quarter.

## A10. Profit/(loss) before tax

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

	Current Quarter		Cumulative	
	3 months ended		3 months ended	
	31.3.14	31.3.13	31.3.14	31.3.13
	RM'000	RM'000	RM'000	RM'000
Interest income	(460)	(153)	(460)	(153)
Investment income	(47)	(43)	(47)	(43)
Interest expense	1	1	1	1
Amortisation of prepaid land lease payment	28	30	28	30
Depreciation of property, plant and equipment	904	1,969	904	1,969
Depreciation of investment properties	130	130	130	130
Loss on disposal of property, plant and equipments	-	-	-	-
	2	33	2	33
Unrealised foreign exchange loss/(gain)	369	(85)	369	(85)
Realised foreign exchange gain	(162)	(124)	(162)	(124)
(Reversal)/Impairment on property, plant and equipment	-	-	-	-
(Reversal)/Provision for obsolete inventories	-	-	-	-
Property, plant and equipment written off	56	-	56	-
Gain or loss on disposal of quoted or unquoted investment or properties	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Reversal of doubtful debt	(30)	-	(30)	-
Bad debt written off	-	-	-	-

## 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 molds 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	
	31-Mar-14 RM'000	31-Mar-13 RM'000	31-Mar-14 RM'000	31-Mar-13 RM'000	31-Mar-14 RM'000	31-Mar-13 RM'000	31-Mar-14 RM'000	31-Mar-13 RM'000
<b>Revenue:</b>								
External customers	3,273	12,634	26,498	35,563	-	-	29,771	48,197
Inter-segment	145	1,350	-	-	(145)	(1,350)	-	-
Total revenue	3,418	13,984	26,498	35,563	(145)	(1,350)	29,771	48,197
<b>Results:</b>								
Interest income	331	99	129	54	-	-	460	153
Investment income	29	17	18	26	-	-	47	43
Depreciation and amortisation	(88)	(558)	(974)	(1,571)	-	-	(1,062)	(2,129)
Share of results of an associate	39	71	-	-	-	-	39	71
Other non-cash income/( expense)	(34)	-	(363)	85	-	-	(397)	85
Segment Profit/( loss)	262	(415)	1,084	(82)	39	(972)	1,385	(1,469)
<b>Assets:</b>								
Investment in an associate	6,400	6,400	-	-	4,180	3,282	10,580	9,682
Addition to non-current assets	468	352	2,677	991	-	-	3,145	1,343
Other Segment assets	96,337	77,752	99,099	218,862	(653)	(94,727)	194,784	192,205
<b>Segment liabilities</b>	4,411	25,782	29,217	72,572	(466)	(53,142)	33,162	45,212

## A12 Events after the reporting 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 RM10,300,000 (Quarter Ended 31.3.13: RM11,500,000).

There were no contingent assets as at 31 March 2014.

## A15 Capital Commitments

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

	31.3.14 RM'000	31.3.13 RM'000
Approved and contracted for	21,297	253
Approved but not contracted for	7,845	-



## A16 Related Party Transactions

	Quarter-Ended	Quarter-Ended
	31.3.14	31.3.13
	RM'000	RM'000
<b>With ultimate holding company:*</b>		
Sale of finished goods	83	170
Sale /(purchases) of raw materials, spare parts, packaging materials and handling charges	(1)	40
Sale of precision moulds and dies	1,667	9
Purchase of precision plastic parts and components and precision mould and dies	56	304
Purchase of property, plant and equipment	14	197
Management fees	183	356
<b>With related companies:#</b>		
Sale of precision moulds and dies	-	1
Sale of raw materials	-	-
Sale of tools / spare parts	-	30
Purchase of property, plant and equipment	-	-

\* Ultimate holding company is Fu Yu Corporation Limited

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

Balances with these related parties are disclosed in the statement of financial position.

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 Property, plant and equipment

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.

### Acquisition and disposals

During the period ended 31 March 2014, the Group acquired assets at a cost of RM3,145,000 (31 March 2013: RM 1,343,000).

Assets with carrying amount of RM 6,000 (2013: RM51,000) were disposed by the Group during the period ended 31 March 2014, resulting in loss on disposal of RM2,000 (2013:RM33,000), recognized and included in the income statement.

### Impairment loss on property, plant and equipment

The Group did not provide for any impairment loss on the property, plant and equipment during the quarter ended 31 March 2014 (31 March 2013: RM Nil).

## A18 Inventories

The Group did not recognize any write down of inventories during the quarter ended 31 March 2014 (31 March 2013: RM Nil).

## A19 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	<b>31.3.14</b> <b>RM'000</b>	<b>31.12.13</b> <b>RM'000</b>
Cash in hand and at banks	16,005	21,244
Repurchase agreements	7,679	5,800
Deposits with licensed banks	<u>69,840</u>	<u>70,769</u>
Cash and bank balances	93,524	97,813
Less: Deposits held under lien	<u>(7,920)</u>	<u>(7,920)</u>
	<u><u>85,604</u></u>	<u><u>89,893</u></u>

## A20 Fair Value of Financial Instruments

### (a) Determination of fair value

Financial Instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value are as follows :

	31.3.14 RM'000	31.12.13 RM'000
Trade and other receivables	34,623	51,539
Trade and other payables	32,080	30,641
Hire purchase payables	70	78

The carrying value of current financial assets and financial liabilities of the Group approximate their values due to their short term nature whilst the carrying value of hire purchase payable is estimated to approximate the fair value estimated based on the current rates available for borrowing with the same maturity profile.

It is not practicable to estimate the fair values of amounts due from/to the holding and related companies principally due to a lack of fixed term of repayment entered by the parties involved and without incurring excessive costs. However, the directors believe that the carrying amounts recorded at statements of financial position reflect the corresponding fair value.

(b) Fair value hierarchy

The table below analyses recurring assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: quoted prices ( unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level1 that are observable for the Asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability

As at the reporting date, the Group held the following financial instruments measured at fair value:

	<b>Level 1</b> <b>RM'000</b>	<b>Level 2</b> <b>RM'000</b>	<b>Level 3</b> <b>RM'000</b>
<b>31 Mar 2014</b>			
<b>Assets measured at fair value</b>			
-Short term money market fund	10,127	-	-
	-----		
<b>31 Dec 2013</b>			
<b>Assets measured at fair value</b>			
-Short term money market fund	10,067	-	-
	-----		

During the reporting period, there were no transfer between the various categories in the hierarchy of fair value measurement.

**B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA**

**B1 Performance Review**

The Group's revenue of RM29,771,000 for the quarter ended 31 March 2014 which is 38% lower compared to the RM48,197,000 in corresponding quarter in 2013 mainly due to the change in procurement strategy of a major customer as announced in 2013.

The Group reported a gross profit of RM2,495,000 in current quarter ended 31 March 2014 as compared to a gross profit of RM917,000 in corresponding quarter in 2013. This is attributed to decrease in low margin projects, significant decrease in overheads commitment, mainly rental and depreciation in connection with the letting out of a major part of the factory and disposal of certain assets to Flextronics Technology (Penang) Sdn Bhd. ("FTSB") by a subsidiary Classic Advantage Sdn Bhd ("CASB").

As a result of better margin and reduction in overheads, profit before tax for the quarter ended 31 March 2014 improved to RM1,385,000 and RM1,115,000 after taxation respectively, compared to loss before tax of RM1,469,000 and RM1,749,000 after taxation respectively in corresponding quarter in 2013.

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

The Group recorded similar revenue of RM29,771,000 for the current quarter compared to the previous quarter of RM 29,759,000.

However, the Group reported a gross profit of RM2,495,000 for the current quarter as compared to a gross profit of RM1,270,000 in the previous quarter due mainly to improvement of profit margins.

Also, in the previous quarter, substantial expenses were incurred to refurbish machines and building facilities. These expenses were absent in the current quarter.

As a result of better margin and lower overheads, net profit before tax increased from RM588,000 in previous quarter to RM1,385,000 in this quarter.

## **B3 Prospects**

As announced in 2013, volume and turnover dropped as a result of the disposal of excess assets and transfer of a major OEM customer's business to a contract manufacturer.

However, the reduction in overheads commitments such as depreciation and rental with disposal of excess assets and sub-leasing of a major part of the factory contributed to the better margin in 2014.

The Group believes that by continuous improvement, right sizing, developing capabilities in lean and flexible manufacturing, creating value at all functions, optimizing resources usage, and targeting niche market, its financial results would improve barring unforeseen circumstances.

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

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

## **B5 Income tax expense/(credit)**

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.3.14</b>	<b>31.3.13</b>	<b>31.3.14</b>	<b>31.3.13</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax	308	321	308	321
Deferred tax	(38)	(41)	(38)	(41)
	<u>270</u>	<u>280</u>	<u>270</u>	<u>280</u>

The effective tax rate of the Group for the current quarter and financial year to-date was lower than the statutory income tax rate mainly due to utilization of unabsorbed tax losses and other tax allowances previously not recognized.

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory income tax rate to the income tax expense at the effective tax rate of the Group and of the Company is as follows :

**Current Quarter**      **Previous**  
**3 months ended**      **Year Quarter**  
**3 months ended**      **3 months ended**

	<b>31 Mar-2014</b>	<b>31 Mar-2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) before tax	1,385	(1,469)
Taxation of Malaysian statutory tax rate of 25% (2013 : 25%)	346	(367)
Income not subject to tax	(109)	(49)
Tax loss not recognise	-	-
Expenses not deductible for tax purposes	182	541
Utilisation of previously unrecognised unabsorbed capital allowance	-	-
Deferred tax assets not recognised	-	156
Utilisation of previously unrecognised unabsorbed reinvestment allowance	-	-
Utilisation of previously unrecognised unabsorbed tax losses and other tax allowances	(149)	-
Overprovision of deferred tax in prior years	-	-
Overprovision of tax expense in prior years	-	-
Income tax recognised in profit or loss	270	280

## B6 Corporate Proposals

As announced on 24<sup>th</sup> April 2013, the wholly owned subsidiary CASB intends to utilize proceeds from disposal of assets held for sale as follows:

- (i) RM15.0 million to secure a building, whether to build, rent or purchase, that suits its current business need within twelve months from the effective date of the Sub-Tenancy Agreement. Any unutilized portion of this allocated amount will be used for CASB's working capital; and
- (ii) RM14.5 million to repay advances from LCTH within 3 months from the completion of the Assets Purchase Agreement.

The proceeds have been utilized as follows:

Purpose	Proposed Utilization	Actual utilization	Intended Timeframe for utilisation	Deviation		Explanation
				Amount	%	
Repayment of advances from LCTH	RM14.5 million	RM14.5 million	Utilized	-	-	Not applicable
Investment in factory building	RM15.0 million	RM3.9 million	1 year	11.1 million	99	Utilization based on construction progress

**B7 Group Borrowings and Debts Securities**

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

	<b>As at 31.3.14 RM'000</b>	<b>As at 31.12.13 RM'000</b>
<b>Short term borrowings</b>		
Secured – Finance lease	28	36
<b>Long term borrowings</b>		
Secured – Finance lease	42	42
	<u>70</u>	<u>78</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/(Loss) per share****Basic**

Basic earnings per share is calculated by dividing the net profit/(loss) after tax attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial period.

	<b>Current Quarter 3 months ended</b>		<b>Cumulative Quarter 3 months ended</b>	
	<b>31.3.14</b>	<b>31.3.13</b>	<b>31.3.14</b>	<b>31.3.13</b>
Profit/(Loss) attributable to shareholders (RM'000)	1,115	(1,749)	1,115	(1,749)
Weighted average number of ordinary shares in issue ('000)	360,000	360,000	360,000	360,000
Earnings/(Loss) per share (sen)	<u>0.31</u>	<u>( 0.49)</u>	<u>0.31</u>	<u>(0.49)</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 2014, 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

The breakdown of the retained profits of the Group as at 31 March 2014 and 31 December 2013 into realized and unrealized profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with Guidance on Special Matter No.1. Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	<b>At end of current quarter 31.3.14 RM'000</b>	<b>Previous financial year ended 31.12.13 RM'000</b>
Total retained profits before adjustments		
-Realised profits	37,804	39,917
-Unrealised (loss) / profits	(369)	441
	<u>37,435</u>	<u>40,358</u>
Total share of retained profits from associate		
-Realised profits	4,206	3,826
-Unrealised (loss) /profits	(26)	315
	<u>4,180</u>	<u>4,141</u>
Less: Consolidation adjustments	<u>(36,429)</u>	<u>(40,428)</u>
	<u>(32,249)</u>	<u>(36,287)</u>
Accumulated Retained profits	<u>5,186</u>	<u>4,071</u>

**By Order of the Board**  
Company Secretary