



# **LCTH CORPORATION BERHAD**

(633871-A)

(Incorporated in Malaysia)

## **Interim Financial Statements**

30 September 2017

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Period Ended 30 September 2017

	Note	Individual Quarter 3 Months Ended		Cumulative-to-date 9 Months Ended	
		30.09.2017	30.09.2016	30.09.2017	30.09.2016
		Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	B1	29,655	24,479	77,786	84,942
Cost of sales		<u>(23,296)</u>	<u>(19,849)</u>	<u>(63,455)</u>	<u>(69,588)</u>
Gross profit		6,359	4,630	14,331	15,354
Other operating income		3,781	3,680	11,160	11,018
Administrative expenses		(4,857)	(3,662)	(14,839)	(14,668)
Selling expenses		(76)	(63)	(222)	(256)
Other expenses		(150)	(167)	(461)	(500)
Share of results of a joint venture		<u>(514)</u>	<u>96</u>	<u>(1,316)</u>	<u>391</u>
Profit before tax	B9	4,543	4,514	8,653	11,339
Income tax expense	B5	<u>(1,071)</u>	<u>(1,156)</u>	<u>(2,395)</u>	<u>(2,876)</u>
Profit after tax representing total comprehensive income for the period		<u>3,472</u>	<u>3,358</u>	<u>6,258</u>	<u>8,463</u>
Total comprehensive income attributable to equity holders of the Company		<u>3,472</u>	<u>3,358</u>	<u>6,258</u>	<u>8,463</u>
Basic earnings per share (Sen)		0.96	0.93	1.74	2.35
Diluted earnings per share (Sen)		0.96	0.93	1.74	2.35

This statement should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	As At 30.09.2017 Unaudited RM'000	As At 31.12.2016 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	47,246	45,277
Investment properties	25,070	25,480
Investment in a joint venture	5,391	6,707
Deferred tax assets	4,250	5,369
	<u>81,957</u>	<u>82,833</u>
<b>Current assets</b>		
Inventories	11,450	9,408
Trade and other receivables	21,657	22,435
Other current assets	2,488	456
Due from holding company	114	189
Tax recoverable	-	253
Short-term investments	9,957	8,305
Cash and bank balances	104,638	109,070
	<u>150,304</u>	<u>150,116</u>
<b>TOTAL ASSETS</b>	<u>232,261</u>	<u>232,949</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	21,927	22,073
Other current liabilities	365	109
Due to holding company	958	692
Tax payable	454	432
	<u>23,704</u>	<u>23,306</u>
<b>Non-current liability</b>		
Deferred tax liabilities	899	1,043
	<u>899</u>	<u>1,043</u>
<b>Total liabilities</b>	<u>24,603</u>	<u>24,349</u>
<b>Equity attributable to equity holders of the Company</b>		
Share capital	169,911	72,000
Share premium	-	97,911
Retained earnings	37,747	38,689
<b>Total equity</b>	<u>207,658</u>	<u>208,600</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>232,261</u>	<u>232,949</u>
<b>Net current assets</b>	126,600	126,810
<b>Net assets</b>	<u>207,658</u>	<u>208,600</u>

This statement should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Period Ended 30 September 2017

	Non-distributable <----->		Distributable <----->	
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000
<b>Balance at 1 January 2016</b>	72,000	97,911	38,609	208,520
Total comprehensive income for the period	-	-	8,463	8,463
Dividends	-	-	(12,600)	(12,600)
<b>Balance at 30 September 2016</b>	<u>72,000</u>	<u>97,911</u>	<u>34,472</u>	<u>204,383</u>
<b>Balance at 1 January 2017</b>	72,000	97,911	38,689	208,600
Total comprehensive income for the period	-	-	6,258	6,258
Adjustments for effects of Companies Act 2016 (Note a)	97,911	(97,911)	-	-
Dividends	-	-	(7,200)	(7,200)
<b>Balance at 30 September 2017</b>	<u>169,911</u>	<u>-</u>	<u>37,747</u>	<u>207,658</u>

### Note a:

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium accounts of RM97,911,236 has been transferred to the share capital account. The Company may use the credit amounts being transferred from share premium for the purposes as set out in subsection 618(3) of the New Act within 24 months after the commencement of the New Act.

< The rest of the page has been left blank intentionally >

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS For The Period Ended 30 September 2017

	9 Months Ended 30.09.2017 Unaudited RM'000	9 Months Ended 30.09.2016 Unaudited RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	8,653	11,339
Adjustments for :		
Depreciation and amortisation	4,104	3,868
Interest income	(2,347)	(2,411)
Investment income	(137)	(187)
Provision for obsolete inventories	39	238
Property, plant and equipment written off	102	3
Gain on disposal of property, plant and equipment	(8)	-
Net unrealised foreign exchange loss	1,642	45
Share of results of a joint venture	1,316	(391)
Operating cash flow before working capital changes	13,364	12,504
Inventories	(2,081)	(1,939)
Receivables	(884)	7,946
Other current assets	(2,033)	1,035
Payables	216	(7,283)
Other current liabilities	255	(565)
Cash generated from operations	8,837	11,698
Income tax paid	(1,145)	(2,033)
Net cash generated from operating activities	7,692	9,665
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	2,347	2,411
Investment income	137	187
Dividend received from joint venture	-	1,120
Deposits pledged	(210)	(216)
Purchase of property, plant and equipment	(5,810)	(884)
Proceeds from disposal of property, plant and equipment	53	-
(Placement) / Withdrawal of short term investments	(1,652)	204
Withdrawal of deposits for more than 3-months maturity with licensed bank	34,795	5,188
Net cash generated from investing activities	29,660	8,010
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividend payment	(7,200)	(12,600)
Net cash used in financing activity	(7,200)	(12,600)
<b>Net increase in cash and cash equivalents</b>	30,152	5,075
<b>Cash and cash equivalents at beginning of the financial period</b>	37,090	27,496
<b>Cash and cash equivalents at end of the financial period</b>	67,242	32,571
<b>For the purpose of statements of cash flows, cash and cash equivalents comprise the following as at the end of the financial period:-</b>		
Cash in hand and at banks	16,737	18,389
Deposits with licensed banks	81,901	83,209
Repurchase agreements	6,000	300
Total cash and bank balances	104,638	101,898
Less: Deposits pledged	(9,610)	(9,331)
Less: Deposits more than 3 months maturity period with a licensed bank	(27,786)	(59,996)
Cash and cash equivalents	67,242	32,571

This statement should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 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 November 2017.

### A2. Basis of Preparation

This condensed consolidated interim financial statements ("Condensed Report") have been prepared in accordance with MFRS 134: Interim Financial Reporting, IAS 34: 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 2016. 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 2016.

### 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 2016 except for the adoption of the following which are applicable to its financial statements and are relevant to its operations:

(i) Adoption of standards

Description	Effective for annual periods beginning on or after
Amendments to MFRS107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax for Unrealised Losses	1 January 2017
Amendments to MFRS 12: Disclosure of Interests in Other Entities	1 January 2017

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

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A3. Significant Accounting Policies (continued)

(ii) Standards Amendments and IC Interpretations issued but not yet effective

At the date of authorization of these interim financial statements, the followings Standards Amendments and IC 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 4: Applying MFRS 9 Financial Instruments with MFRS 4: Insurance Contracts	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments (IFRS issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 1: First-time Adoption of Malaysia Financial Reporting Standards	1 January 2018
Amendments to MFRS 140: Transfers of Investment Property	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16: Leases	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of these Standards Amendments and IC Interpretations above will have no material impact on the financial statements in the year of initial adoption, except as discuss below :

#### **MFRS 15 Revenue from Contracts with Customers**

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A3. Significant Accounting Policies (continued)

#### **MFRS 9 Financial Instruments**

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

#### **MFRS 16 Leases**

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group is currently assessing the potential effect of MFRS 16 and plans to adopt the new standard on the required effective date.

### 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 2016 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 30 September 2017.



# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 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

The final single tier tax-exempt dividend of 1.5 sen per share in respect of the year ended 31 December 2016 was paid on 16 May 2017. The first interim single tier tax-exempt dividend of 0.5 sen per share in respect of the year ending 31 December 2017 was paid on 19 September 2017.

### 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 markets. 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 the United States of America and Singapore being the principal market segments.

	Local RM'000	Export RM'000	Eliminations RM'000	Total RM'000
<b>9 Months Ended 30 September 2017</b>				
Segment revenue:				
Sales to external customers	1,025	76,761	-	77,786
Inter-segment sales	434	-	(434)	-
Total	<u>1,459</u>	<u>76,761</u>	<u>(434)</u>	<u>77,786</u>
Segment results	<u>737</u>	<u>9,232</u>	<u>(1,316)</u>	<u>8,653</u>
<b>9 Months Ended 30 September 2016</b>				
Segment revenue:				
Sales to external customers	679	84,263	-	84,942
Inter-segment sales	434	-	(434)	-
Total	<u>1,113</u>	<u>84,263</u>	<u>(434)</u>	<u>84,942</u>
Segment results	<u>1,587</u>	<u>9,752</u>	<u>-</u>	<u>11,339</u>

### A11. Events after the reporting period

There were no material events subsequent to the end of the reporting quarter and the date of this announcement.

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 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

	As at 30.09.17 RM'000	As at 31.12.16 RM'000
In relation to corporate guarantees given to banks of subsidiaries by the Company	<u>10,558</u>	<u>10,918</u>

There were no contingent assets since the last year ended 31 December 2016.

### A14. Capital Commitments

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

	As at 30.09.17 RM'000	As at 30.09.16 RM'000
Approved and contracted for: Property, plant and equipment	<u>11,376</u>	<u>360</u>
Approved but not contracted for: Property, plant and equipment	<u>-</u>	<u>5,000</u>

### A15. Related Party Transactions

	Cumulative-to-date 9 Months Ended	
	30.09.17 RM'000	30.09.16 RM'000
With ultimate holding company*:		
Sale of finished goods	230	247
Sale of raw material, spare parts, packaging materials and handling charges	31	-
Sale of precision moulds and dies	7	728
Purchase of raw material, precision plastic parts and components and precision mould and dies	1,052	602
Management fees	<u>845</u>	<u>628</u>
With related company:		
Purchase of raw material, precision plastic parts and components and precision mould and dies	<u>9</u>	<u>-</u>
With joint venture company:		
Rental of buildings	<u>968</u>	<u>965</u>

\* Ultimate holding company is Fu Yu Corporation Limited

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.

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A16. 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:-

	Cumulative-to-date 9 Months Ended	
	30.09.17 RM'000	30.09.16 RM'000
Property, Plant and Equipment acquired	5,810	884
Property, Plant and Equipment disposed (net book value)	45	-
Gain on disposal	8	-

### A17. Earnings Per Share

The basic and diluted earnings per share were derived as below:-

	Individual Quarter 3 months Ended		Cumulative-to-date 9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
Net profit attributable to equity holders of the Company (RM'000)	3,472	3,358	6,258	8,463
Weighted average number of ordinary shares ('000)	360,000	360,000	360,000	360,000
Basic earnings and diluted earnings per share (Sen)	0.96	0.93	1.74	2.35

< The rest of the page has been left blank intentionally >

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

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

### B1. Performance Review

#### *Financial review for current quarter and financial year to date*

	Individual Quarter			Cumulative-to-date		
	3 Months Ended		Changes	9 Months Ended		Changes
	30.09.17	30.09.16	(Amount RM'000 / %)	30.09.17	30.09.16	(Amount RM'000 / %)
Revenue	29,655	24,479	5,176 / 21.1%	77,786	84,942	(7,156) / -8.4%
Operating Profit	5,441	3,613	1,828 / 50.6%	11,667	11,948	(281) / -2.4%
Foreign Exchange (Loss) / Gain	(384)	805	(1,189) / -147.7%	(1,698)	(1,000)	(698) / -69.8%
Share of result of a joint venture	(514)	96	(610) / -635.4%	(1,316)	391	(1,707) / -436.6%
Profit Before Interest and Tax	4,543	4,514	29 / 0.6%	8,653	11,339	(2,686) / -23.7%
<b>Profit Before Tax</b>	<b>4,543</b>	<b>4,514</b>	<b>29 / 0.6%</b>	<b>8,653</b>	<b>11,339</b>	<b>(2,686) / -23.7%</b>
Profit After Tax	3,472	3,358	114 / 3.4%	6,258	8,463	(2,205) / -26.1%
Profit attributable to equity holders of the Company	3,472	3,358	114 / 3.4%	6,258	8,463	(2,205) / -26.1%

#### *Performance of the current quarter against the preceding quarter (Q3 2017 versus Q3 2016)*

The Group recorded a revenue of RM29.7 million for the third quarter ended 30 September 2017. This is RM5.2 million or 21.1% higher compared to the revenue of RM24.5 million in the corresponding quarter in 2016. The increase in revenue was due mainly to more projects awarded in precision tooling fabrication division as well as new product launch by one major customer in consumer products.

The Group recorded a profit before tax of RM4.5 million in the current quarter, which is same as the profit before tax of RM4.5 million in the corresponding quarter in 2016. The operating profit recorded at RM5.4 million in the current quarter, which is RM1.8 million higher than operating profit of RM3.6 million in the corresponding quarter in 2016. However, the positive result in operation was neutralised by the foreign exchange loss of RM1.2 million and the share of loss of joint venture of RM0.6 million.

#### *Performance of the current year to date against the preceding year to date (YTD Q3 2017 versus YTD Q3 2016)*

The Group recorded a revenue of RM77.8 million for the current year to date ended 30 September 2017. This is RM7.2 million or 8.4% lower compared to the revenue of RM84.9 million in the corresponding period in 2016. The decrease in revenue was due mainly to weaker demand from one major customer in consumer products in first half of year 2017.

The Group recorded a profit before tax of RM8.7 million as of 30 September 2017, which is RM2.7 million lower than the profit before tax of RM11.3 million as of 30 September 2016. This was due mainly to share of loss of joint venture amounting to RM1.7 million and foreign exchange loss of RM0.7 million.

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

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

### B2. Comparison with The Immediate Preceding Quarter

	Current Quarter 30.09.17 RM'000	Immediate Preceding Quarter 30.06.17 RM'000	Changes (Amount RM'000 / %)
Revenue	29,655	24,867	4,788 / 19.3%
Operating Profit	5,441	3,368	2,073 / 61.5%
Foreign Exchange Loss	(384)	(916)	532 / 58.1%
Share of result of a joint venture	(514)	(521)	7 / 1.3%
Profit Before Interest and Tax	4,543	1,931	2,612 / 135.3%
<b>Profit Before Tax</b>	<b>4,543</b>	<b>1,931</b>	<b>2,612 / 135.3%</b>
Profit After Tax	3,472	1,248	2,224 / 178.2%
Profit attributable to equity holders of the Company	3,472	1,248	2,224 / 178.2%

#### **Performance of the current quarter compared with immediate preceding quarter (Q3 2017 versus Q2 2017)**

The Group recorded a revenue of RM29.7 million for the current quarter, an increase of RM4.8 million or 19.3% compared to the RM24.9 million in the immediate preceding quarter. The increase in revenue was due mainly to more projects awarded in precision tooling fabrication division as well as new product launch by one major customer in consumer products.

The Group recorded a profit before tax of RM4.5 million for the current reporting quarter, an increase of RM2.6 million compared to the RM1.9 million in the immediate preceding quarter. This was due mainly to higher operating profit of RM2.1 million from higher revenue and lower foreign exchanges loss of RM0.5 million.

### B3. Prospects

In view of the ongoing uncertainties in the global economic situation and geopolitical events, including volatility in crude oil prices and foreign exchange rates, the Group expects the economic climate for the rest of year 2017 to be challenging. The volatility of US Dollar against Ringgit Malaysia, if continued, is expected to influence the results of the Group going forward as the Group is predominantly involved in export sales. However, the Group will continue to expand its market share with existing and new customers, as well as to improve operational efficiency. Barring unforeseen circumstances, the Group is optimistic in achieving profitable results for year 2017.

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

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

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

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

### B5. Income Tax Expense

	Individual Quarter		Cumulative-to-date	
	3 Months Ended		9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	RM'000	RM'000	RM'000	RM'000
Current year tax	561	611	1,615	1,615
Deferred tax	696	526	966	1,242
Over provision of prior year income tax	(194)	(115)	(194)	(115)
Under provision of prior year deferred tax	8	134	8	134
	<u>1,071</u>	<u>1,156</u>	<u>2,395</u>	<u>2,876</u>
Statutory tax rate	24%	24%	24%	24%
Effective tax rate	24%	25%	28%	25%

Current income tax is calculated at the statutory tax rate of 24% (2016: 24%) on the estimated assessable profit for the year. The effective tax rates of the Group for financial year to-date were higher than the statutory tax rate due mainly to inclusion of share of result of a joint venture which is net of tax.

### B6. Material Litigation

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

### B7. Dividends Declared

The Board approved the second interim single tier dividend of 0.5 sen per share on 13 November 2017, payable on 13 December 2017 to shareholders on book closure date of 28 November 2017, totalling RM1.8 million for year ending 31 December 2017. Together with the first interim tax-exempt dividend of 0.5 sen per share, a total of 1 sen per share has been declared for the current financial year.

### B8. Earnings per Share

The computation of earnings per share is disclosed in note A17.

# LCTH CORPORATION BERHAD

(Incorporated in Malaysia - Company No. 633871-A)

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

### B9. Profit Before Tax

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

	Individual Quarter		Cumulative-to-date	
	3 Months Ended		9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	RM'000	RM'000	RM'000	RM'000
Interest Income	(796)	(776)	(2,347)	(2,411)
Investment Income	(51)	(51)	(137)	(187)
Rental Income	(2,807)	(2,806)	(8,423)	(8,268)
Depreciation and amortisation of:-				
Properties, plants and equipment	1,304	1,134	3,693	3,420
Investment properties	134	150	411	448
Unrealised foreign exchange loss/(gain)	205	(563)	1,642	45
Realised foreign exchange loss/(gain)	179	(242)	56	955
Provision for obsolete inventories	-	56	39	238
Gain on disposal of property, plants and equipment	(7)	-	(8)	-
Property, plant and equipment written off	88	-	102	3

There were no gain or loss on disposal of quoted or unquoted investments, impairment of assets, gain or loss on derivatives and exceptional items for the current quarter under review and cumulative period ended 30 September 2017.

### B10. Breakdown of realised and unrealised profits or losses of the Group

	As at	
	30.09.17	31.12.16
	RM'000	RM'000
Retained earnings of the Company and its subsidiaries :		
- Realised Profit	108,096	105,335
- Unrealised (Loss)/Profit	(1,642)	577
	<u>106,454</u>	<u>105,912</u>
Total share of retained profits from joint venture :		
- Realised (loss)/Profit	(845)	232
- Unrealised (Loss)/Profit	(164)	75
	<u>(1,009)</u>	<u>307</u>
Less: Consolidation adjustments	<u>(67,698)</u>	<u>(67,530)</u>
Retained earnings per financial statements	<u>37,747</u>	<u>38,689</u>

### By Order of the Board

Company Secretary  
13 November 2017