

LCT HOLDINGS LIMITED

Incorporated in Bermuda
Company Registration No. 35673

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for the 3rd quarter ended 31 March 2018. These figures have not been audited.

Income Statement For 3rd Quarter

	<-----The Group----->					
	FY2018	FY2017		FY2018	FY2017	
	3rd Qtr	3rd Qtr		9 months	9 months	
	1 Jan 18 to	1 Jan 17 to		1 Jul 17 to	1 Jul 16 to	
	31 Mar 18	31 Mar 17	+/(-)	31 Mar 18	31 Mar 17	+/(-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	3,256	2,761	18	9,119	9,190	(1)
Cost of sales	(795)	(743)	7	(2,278)	(2,100)	8
Gross profit	2,461	2,018	22	6,841	7,090	(4)
Other gains and losses	25	391	(94)	73	1,674	(96)
Administrative expenses	(1,643)	(2,095)	(22)	(5,654)	(6,667)	(15)
Profit before income tax	843	314	168	1,260	2,097	(40)
Income tax expense	(312)	-	nm	(936)	-	nm
Profit for the period	531	314	69	324	2,097	(85)
Profit for the period attributable to :						
Owners of the Company	531	314	69	324	2,097	(85)
	531	314	69	324	2,097	(85)

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Statement of Comprehensive Income

	<-----The Group----->					
	FY2018	FY2017		FY2018	FY2017	
	3 rd Qtr	3 rd Qtr		9 months	9 months	
	1 Jan 18 to	1 Jan 17 to		1 Jul 17 to	1 Jul 16 to	
	31 Mar 18	31 Mar 17	+/(-)	31 Mar 18	31 Mar 17	+/(-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit for the period	531	314	69	324	2,097	(85)
Other comprehensive income, net of tax						
Items that may be reclassified						
subsequently to profit or loss:						
Change in fair value on	-	-	nm	-	805	nm
available-for-sale financial assets						
Currency translation						
- Group	(1,420)	(239)	494	(2,827)	11,096	nm
Reclassification adjustment						
- Disposal of available-for-sale-financial	-	-	nm	-	(2,662)	nm
assets						
Other comprehensive income for the	(1,420)	(239)	494	(2,827)	9,239	nm
period, net of tax amounting to nil						
Total comprehensive income for the	(889)	75	nm	(2,503)	11,336	nm
period						
Total comprehensive income						
attributable to:						
Owners of the Company	(889)	75	nm	(2,503)	11,336	nm

nm: Not meaningful / material

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Notes:

Profit before tax is determined after crediting / (charging) the following:

	<-----The Group----->					
	FY2018	FY2017		FY2018	FY2017	
	3 rd Qtr	3 rd Qtr		9 months	9 months	
	1 Jan 18 to	1 Jan 17 to	+ / (-)	1 Jul 17 to	1 Jul 16 to	+ / (-)
	31 Mar 18	31 Mar 17		31 Mar 18	31 Mar 17	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
(a) Bank interest income*	13	12	8	15	186	(92)
(b) Net fair value gain for financial assets at fair value through profit or loss*	37	-	nm	105	152	(31)
(c) Depreciation of property, plant and equipment	(2)	(1)	100	(6)	(7)	(14)
(d) Loss on disposal of property, plant and equipment*	(1)	(1)	nm	(2)	(2)	nm
(e) Exchange difference, net*	(23)	(9)	156	(44)	(1,491)	(97)
(f) Gain on disposal of available-for-sale financial assets*	-	-	nm	-	1,985	nm

*Included in other gains and losses

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	<----- Group----->		<----- Company----->	
	As at 31 Mar 18	As at 30 Jun 17	As at 31 Mar 18	As at 30 Jun 17
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	25	32	-	-
Investment property	110,000	110,000	-	-
Interests in subsidiaries	-	-	119,133	129,021
	110,025	110,032	119,133	129,021
Current assets				
Cash and bank balances	35,500	45,791	2,511	5,501
Financial assets at fair value through profit or loss	8,300	-	-	-
Other receivables	1,890	707	-	-
	45,690	46,498	2,511	5,501
Current liabilities				
Other payables	15,800	15,049	678	845
	15,800	15,049	678	845
Net current assets	29,890	31,449	1,833	4,656
Non-current liabilities				
Deferred tax liabilities	8,999	8,062	-	-
Net assets	130,916	133,419	120,966	133,677
EQUITY				
Equity attributable to owners of the Company				
Share capital	65,608	65,608	65,608	65,608
Treasury shares	(90,042)	(90,042)	(90,042)	(90,042)
Reserves	155,350	157,853	145,400	158,111
Total equity	130,916	133,419	120,966	133,677

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

There was no borrowing of the Company and the Group as at 30 June 2017 and 31 March 2018.

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- 1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Cash Flows for 3rd Quarter Ended 31 March

	<-----The Group----->			
	FY2018 3 rd Qtr	FY2017 3 rd Qtr	FY2018 9 months	FY2017 9 months
	1 Jan 18 to 31 Mar 18	1 Jan 17 to 31 Mar 17	1 Jul 17 to 31 Mar 18	1 Jul 16 to 31 Mar 17
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flow from operating activities:				
Profit before income tax	843	314	1,260	2,097
Adjustments for:				
Interest income of bank deposits	(13)	(12)	(15)	(186)
Net fair value gain for financial assets at fair value through profit or loss	(37)	-	(105)	(152)
Depreciation of property, plant and equipment	2	1	6	7
Loss on disposal of property, plant and equipment	1	1	2	2
Exchange difference, net	23	9	44	1,491
Gain on disposal of available-for-sale financial assets	-	-	-	(1,985)
Operating cash flows before movements in working capital	819	313	1,192	1,274
Increase in trade receivables	-	-	-	(12)
(Increase) / decrease in other receivables and trade deposits paid to suppliers	(1,458)	103	(1,183)	9,432
Increase / (decrease) in other payables and trade deposits received from customers	953	(333)	751	(1,118)
Net cash generated from operating activities	314	83	760	9,576
Cash flow from investing activities:				
Interest income of bank deposits	13	12	15	186
Net fair value gain for financial assets at fair value through profit or loss	37	-	105	152
Purchase of property, plant and equipment	-	(2)	-	(2)
(Acquisition) / redemption of financial assets at fair value through profit or loss	(1,800)	(1,200)	(8,300)	16,400
Proceeds from disposal of available-for-sale financial assets	-	-	-	85,101
Net cash (used in) / generated from investing activities	(1,750)	(1,190)	(8,180)	101,837

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	<-----The Group----->			
	FY2018	FY2017	FY2018	FY2017
	3rd Qtr	3rd Qtr	9 months	9 months
	1 Jan 18 to	1 Jan 17 to	1 Jul 17 to	1 Jul 16 to
	31 Mar 18	31 Mar 17	31 Mar 18	31 Mar 17
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flow from financing activities:				
Dividends paid	-	-	-	(120,361)
Net cash used in financing activities	-	-	-	(120,361)
Net decrease in cash and cash equivalents	(1,436)	(1,107)	(7,420)	(8,948)
Cash and cash equivalents at the beginning of the financial period	38,379	44,576	45,791	51,797
Effect of foreign exchange rate changes, net	(1,443)	(248)	(2,871)	372
Cash and cash equivalents at the end of the financial period	35,500	43,221	35,500	43,221
Analysis of cash and cash equivalents				
Cash and bank balances	35,500	43,221	35,500	43,221
Cash and deposit balances	35,500	43,221	35,500	43,221

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- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the Group

	Attributable to owners of the Company					
	Share capital	Treasury shares	Share premium	Translation reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Jan 2018	65,608	(90,042)	138,818	(62,630)	80,051	131,805
Profit for the period	-	-	-	-	531	531
Other comprehensive income						
-Currency translation						
-Group	-	-	-	(1,420)	-	(1,420)
Total comprehensive income for the period	-	-	-	(1,420)	531	(889)
Balance at 31 Mar 2018	65,608	(90,042)	138,818	(64,050)	80,582	130,916

	Share capital	Treasury shares	Share premium	Translation reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Jan 2017	65,608	(90,042)	138,818	(61,955)	88,801	141,230
Profit for the period	-	-	-	-	314	314
Other comprehensive income						
-Currency translation						
- Group	-	-	-	(239)	-	(239)
Total comprehensive income for the period	-	-	-	(239)	314	75
Balance at 31 Mar 2017	65,608	(90,042)	138,818	(62,194)	89,115	141,305

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Statement of Changes in Equity for the Company

Company	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Translation reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 Jan 2018	65,608	(90,042)	138,818	(71,259)	83,334	126,459
Loss for the period	-	-	-	-	(736)	(736)
Other comprehensive income						
-Currency translation	-	-	-	(4,757)	-	(4,757)
Total comprehensive income for the period	-	-	-	(4,757)	(736)	(5,493)
Balance at 31 Mar 2018	65,608	(90,042)	138,818	(76,016)	82,598	120,966
Balance at 1 Jan 2017	65,608	(90,042)	138,818	(63,330)	87,486	138,540
Loss for the period	-	-	-	-	(1,231)	(1,231)
Other comprehensive income						
-Currency translation	-	-	-	(755)	-	(755)
Total comprehensive income for the period	-	-	-	(755)	(1,231)	(1,986)
Balance at 31 Mar 2017	65,608	(90,042)	138,818	(64,085)	86,255	136,554

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the authorised, issued and paid-up share capital of the Company since the Company's previous announcement.

As at 31 March 2018, the Company held 4,421,875 (31 March 2017: 4,421,875) treasury shares. There were no purchases, sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 31 March 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<----The Company---->	
	As at 31 Mar 18	As at 30 Jun 17
Issued shares	39,666,395	39,666,395
Less: Treasury shares	(4,421,875)	(4,421,875)
Total number of issued shares excluding treasury shares	35,244,520	35,244,520

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the quarter, no treasury shares were used to satisfy the vesting of an equivalent number of share awards.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

During the quarter, no sales, transfers, cancellation and/or use of subsidiary holdings.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

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4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except for those newly applicable and amended International Financial Reporting Standards ("IFRS") that are effective for the financial period beginning on 1 July 2017, the Group has adopted the same accounting policies and methods of computations as stated in the audited financial statements for the year ended 30 June 2017.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the applicable new and amended IFRS that are effective during the period. The adoption of these new and amended IFRS did not result in a significant change to the Group's accounting policies.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<-----The Group----->			
	FY2018 3 rd Qtr RMB cents	FY2017 3 rd Qtr RMB cents	FY2018 9 months RMB cents	FY2017 9 months RMB cents
Earnings per share	1.51	0.89	0.92	5.95
Weighted average number of shares	35,244,520	35,244,520	35,244,520	35,244,520

Diluted earnings per share for the three months ended 31 March 2018 and 2017 are the same as the basic earnings per share, as the Group has no dilutive potential during both periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:(a) current financial period reported on; and (b) immediately preceding financial year.**

	<----The Group---->		<----The Company---->	
	As at 31 Mar 18 RMB cents	As at 30 Jun 17 RMB cents	As at 31 Mar 18 RMB cents	As at 30 Jun 17 RMB cents
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of period	371.45	378.55	343.22	379.28
Number of shares (excluding treasury shares)	35,244,520	35,244,520	35,244,520	35,244,520

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Performance of the Group

Revenue

Revenue increased to RMB3.3 million in Q3 FY18 compared to RMB2.8 million in Q3 FY17. The increase in rental income was mainly due to increase in average rental rate upon renewal of expired lease agreements.

Gross profit and gross profit margin

Gross profit was increased from RMB2 million in Q3 FY17 to RMB2.5 million in Q3 FY18. Correspondingly, gross profit margin for Q3 FY17 was 73% an increase from 76% in Q3 FY18. The increase in gross profit margin was mainly due to increase in revenue.

Administrative expenses

Administrative expenses decreased from RMB2.1 million in Q3 FY17 to RMB1.6 million in Q3 FY18 mainly due to lower management expenses, salaries and professional fees.

Other gains and losses

Other gains decreased from RMB0.39 million in Q3 FY17 to RMB0.025 million in Q3 FY18 mainly due to the unrealised exchange gains arise from depreciation of USD .

Balance Sheets

Investment property

This relates to the Group's investment property located in Xi'an which was leased out for generating rental income. This property is leased to business customers for science and education purposes.

Cash and bank balances

Cash and bank balances decreased from RMB45.8 million as at 30 June 2017 to RMB35.5million as at 31 March 2018 mainly due to used RMB8.3 million for the acquisition of financial assets.

Other payables

This mainly relates to the payables to constructors for the Xi'an investment property.

Deferred tax liabilities

It represented the tax effect of temporary difference arising from the fair value change on the investment property.

Cash Flow

For Q3 FY18, the Group recorded net cash generated from operating activities of RMB0.3 million.

During the quarter, the Group used RMB8.3 million for the acquisition of financial assets.

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- 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement had been made.

- 10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Management will focus on improving the occupancy rate of the investment property located in Xi'an.

Going forward, the Board will also consider all available options to the Company which are in the interests of the shareholders. Shareholders will be informed in due course once a definitive decision has been made.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

- 11. Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Dividend is before tax, net of tax or tax exempt : N.A.

(d) Date of Dividend payable : N.A.

(e) Book Closure Date : N.A.

- 12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been recommended.

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- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT Mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

- 14. Negative Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render these unaudited interim financial statements for the quarter ended 31 March 2018, to be false or misleading in any material aspect.

- 15. Undertakings Confirmation pursuant to Rule 720(1)**

The Board of Directors of the Company hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

BY ORDER OF THE BOARD

Mr Du Junqi
Executive Chairman

14 May 2018