LTC CORPORATION LIMITED
(formerly known as Lion Teck Chiang Limited)
(Company Registration No. 196400176K)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX-ST'S QUERY ON
FIRST QUARTER FINANCIAL STATEMENT ENDED 30 SEPTEMBER 2014

The board of directors (the "**Board**") of LTC Corporation Limited (formerly known as Lion Teck Chiang Limited) (the **"Company**") refers to the queries received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 24 October 2014 in relation to the Company's First Quarter Financial Statement ended 30 September 2014 ("**First Quarter FY2015**") released on 7 November 2014.

Query 1:

It was disclosed on page 1 of the Announcement that administrative expenses and finance costs increased by 27% and 108.4% respectively from the corresponding period in 2013. Please provide a breakdown and discussion on the material items of administrative expenses and finance costs.

Company's Response:

The main increases in administrative expenses are summarized below.

	S$'000
Staff costs	231
Project expenses	108
Upkeep of motor vehicles	38
Property tax	17

The increase in staff costs is due mainly to additional staff hired for our steel business and property development in Malaysia.

Project expenses include costs of project personnel in Singapore previously capitalized to properties under development but now no longer capitalized due to project completion. Other project expenses include property tax and maintenance fees incurred on the Seven Crescent project.

The increase in upkeep of motor vehicles pertains mainly to expenses on newly acquired prime movers for the steel business.

The property tax increase pertains to the investment properties.

The main increases in finance costs are summarized below.

	S$'000
Arrangement fee	60
Interest expenses	95

Arrangement fee was paid for the renewal of a financing facility during the quarter.

The increase in interest expenses pertains mainly to the revolving credit facility for which utilized balances were significantly lower in the comparative quarter**.**

Query 2:

It was disclosed on page 1 of the Announcement that “the share of results of associated company” increased by 725% from the corresponding period in 2013. Please provide details on what the “the share of results of associated company” comprised of for first quarter ended 30 September 2014.

Company's Response:

The source of the share of results of associated company remains unchanged as the Group has only one associated company, Kairong Development, which has a property development project in Shenyang. It should also be noted that the comparative figure of $36,000 was an unusually small amount.

Query 3:

We refer to paragraph 9 of the Announcement. Please comment whether the current results are in line with the Company's commentary on prospects or previous quarter outlook in paragraph 10 of its previous quarterly results announcement.

Company's Response:

The Group’s results for the current quarter were significantly affected by the decline in profits for the steel business. A significant portion of the steel revenue during the quarter was made with deliveries under fluctuating price contracts. The selling price under these contracts is determined by an index published by Building and Construction Authority that reflects latest market prices.

With a general downtrend due to global oversupply, further exacerbated by stiff competition amongst local suppliers, it will be increasingly difficult to remain profitable on such supply contracts as the cost of stocks may not average down as quickly as the descent in market prices.

In the previous quarter’s announcement, the Group did highlight the weakness in steel prices and the intensified local competition.

BY ORDER OF THE BOARD

Silvester Bernard Grant
Company Secretary
26 November 2014