LION TECK CHIANG LIMITED
Company Registration No : 196400176K
(Incorporated in the Republic of Singapore)

Full Year Financial Statement for the year ended 30/06/2014

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

1(a)(i) 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.

Consolidated Statement of Comprehensive Income

	Group		
	2014	2013	+/-
	$'000	$'000	%
Revenues	165,659	190,865	(13.2)
Cost of sales	(139,127)	(148,132)	(6.1)
Gross profit	26,532	42,733	(37.9)
Other income	1,057	3,030	(65.1)
Selling and distribution expenses	(1,558)	(902)	72.7
Administrative expenses	(8,369)	(6,838)	22.4
Other operating expenses	(3,154)	118	NM
Share of results of associated company	(355)	1,283	NM
Fair value changes in investment properties	2,100	13,110	(84.0)
Operating profit	16,253	52,534	(69.1)
Finance costs	(995)	(1,026)	(3.0)
Profit before taxation	15,258	51,508	(70.4)
Taxation	(2,072)	(7,437)	(72.1)
Profit for the financial year	13,186	44,071	(70.1)
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Other capital reserve	(15)	(30)	(50.0)
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on consolidation	(1,829)	(128)	1328.9
Share of other comprehensive income of associated company	(521)	712	NM
	(2,350)	584	NM
Other comprehensive income, net of tax	(2,365)	554	NM
Total comprehensive income for the financial year	10,821	44,625	(75.8)
Profit for the year attributable to:			
Owners of the Company	8,489	36,844	(77.0)
Non-controlling interests	4,697	7,227	(35.0)
	13,186	44,071	(70.1)
Total comprehensive income attributable to:			
Owners of the Company	6,124	37,398	(83.6)
Non-controlling interests	4,697	7,227	(35.0)
	10,821	44,625	(75.8)

Included in the above are the following items:	2014 $'000	2013 $'000	+/- %
Interest income	375	683	(45.1)
Depreciation of property, plant & equipment	(1,831)	(1,607)	13.9
Allowance for impairment of completed properties	(3,559)	-	NM
Foreign exchange gain	405	118	243.2
Gain on sale of unquoted investment	-	868	NM

NM = Not Meaningful

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	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-current assets				
Investment properties	117,100	115,000	-	-
Property, plant and equipment	17,842	15,903	-	-
Subsidiary companies	-	-	181,077	183,331
Associated company	16,913	17,789	-	-
Long-term investments	3,730	3,730	380	380
Properties under development	13,868	66,515	-	-
Deferred tax assets	1,050	366	-	-
	170,503	219,303	181,457	183,711
Current assets				
Non-current assets held for sale	1,492	1,620	-	-
Completed properties held for sale	61,873	17,918	-	-
Inventories	44,122	41,985	-	-
Prepayments	96	71	2	2
Trade debtors	24,453	31,421	-	-
Other debtors	2,204	1,906	66	-
Due from subsidiary company	-	-	1,500	2,003
Due from related parties	862	784	-	-
Fixed deposits	7,788	7,561	-	-
Cash and bank balances	31,215	20,641	46	38
	174,105	123,907	1,614	2,043
Current liabilities				
Trade creditors	33,704	32,366	-	-
Other creditors	5,494	4,088	247	234
Due to related parties	5,436	4,557	10	30
Interest-bearing loans and borrowings	16,750	45	-	-
Provision for taxation	2,482	3,714	-	-
	63,866	44,770	257	264
Net current assets	110,239	79,137	1,357	1,779
Non-current liabilities				
Trade creditors	554	950	-	-
Due to subsidiary companies	-	-	25,746	26,408
Interest-bearing loans and borrowings	4,792	28,056	-	-
Deferred tax liabilities	1,914	1,752	-	-
	7,260	30,758	25,746	26,408
	273,482	267,682	157,068	159,082
Equity attributable to owners of the Company				
Share capital	150,113	150,113	150,113	150,113
Capital reserve	2,597	2,612	-	-
Exchange translation reserve	(21,447)	(19,097)	-	-
Accumulated profits	110,001	103,077	6,955	7,013
Dividend reserve	-	1,956	-	1,956
	241,264	238,661	157,068	159,082
Non-controlling interests	32,218	29,021	-	-
	273,482	267,682	157,068	159,082

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

Amount repayable in one year or less, or on demand

As at 30/06/2014		As at 30/06/2013	
Secured ($'000)	Unsecured ($'000)	Secured ($'000)	Unsecured ($'000)
16,750	-	45	-

Amount repayable after one year

As at 30/06/2014		As at 30/06/2013	
Secured ($'000)	Unsecured ($'000)	Secured ($'000)	Unsecured ($'000)
4,792	-	28,056	-

Details of any collateral

	Group		
	30/06/2014	30/06/2013	
Interest-bearing loans and borrowings	$'000	$'000	
Short-term			Note
Revolving credit facility	16,705	-	2
Lease liabilities	45	45	3
	16,750	45	
Long-term			
Revolving credit facility	-	5,000	1
Bank loans	4,725	22,944	2
Term loan	-	-	2
Lease liabilities	67	112	3
	4,792	28,056	

1) secured on investment properties, shares in a subsidiary and corporate guarantee of the company.
2) secured on certain completed properties and properties under development and corporate guarantee of the company.
3) secured on the leased property, plant and equipment.

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

Consolidated Statement of Cash Flow

	2014 $'000	2013 $'000
Cash flows from operating activities		
Profit before tax	15,258	51,508
Adjustments for :		
Depreciation of property, plant and equipment	1,831	1,607
Finance costs	995	1,026
Interest income	(375)	(683)
Gain on disposal of property, plant and equipment	(106)	(243)
Fair value changes in investment properties	(2,100)	(13,110)
Gain on fair value changes on derivatives	(5)	(216)
Allowance/(write-back) for doubtful debts	7	(274)
Gain on sale of investment	-	(868)
Allowance for impairment of completed properties	3,559	-
Provision for onerous contracts	44	-
Share of results of associated company	355	(1,283)
Currency realignment	(1,424)	(86)
Operating profit before reinvestment in working capital	18,039	37,378
(Increase)/decrease in inventories	(2,181)	8,973
Decrease/(increase) in debtors and prepayments	6,643	(3,034)
Increase/(decrease) in creditors	2,348	(3,226)
Increase/(decrease) in amounts due to related parties	879	(60)
Increase in amounts due from related parties	(78)	(236)
Decrease in non-current asset held for sale	128	3,505
Increase in properties under development	(4,005)	(13,539)
Decrease in completed properties held for sale	9,123	3,477
Cash generated from operations	30,896	33,238
Interest paid	(995)	(1,026)
Income taxes paid	(3,826)	(8,419)
Net cash generated from operating activities	26,075	23,793
Cash flows from investing activities :		
Interest received	375	683
Proceeds from sale of investment	-	868
Proceeds from disposal of property, plant and equipment	230	558
Purchase of property, plant and equipment	(3,894)	(3,059)
Net cash used in investing activities	(3,289)	(950)
Cash flows from financing activities :		
Decrease in finance lease obligations	(45)	(44)
Proceeds of short-term borrowings	11,705	-
Repayment of long-term borrowings	(18,219)	(14,062)
Dividends paid to non-controlling interest of a subsidiary	(1,500)	(1,500)
Dividends paid	(3,521)	(1,565)
Net cash used in financing activities	(11,580)	(17,171)
Net increase in cash and cash equivalents	11,206	5,672
Effect of exchange rate changes on cash and cash equivalents	(405)	(42)
Cash and cash equivalents at beginning of financial year	28,202	22,572
Cash and cash equivalents at end of financial year	39,003	28,202

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.

Statements of Changes in Equity

Group	Share Capital $'000	Capital Reserve $'000	Exchange Translation Reserve $'000	Accumulated Profits $'000	Dividend Reserve $'000	Equity Attibutable to Owners of the Company $'000	Non-controlling Interests $'000	Total $'000
Balance as at 1 July 2012	150,113	2,642	(19,681)	68,189	1,565	202,828	23,794	226,622
Profit for the financial year	-	-	-	36,844	-	36,844	7,227	44,071
Other comprehensive income for the year	-	(30)	584	-	-	554	-	554
Total comprehensive income for the year	-	(30)	584	36,844	-	37,398	7,227	44,625
Dividends paid	-	-	-	-	(1,565)	(1,565)	-	(1,565)
Dividends payable to non-controlling interests	-	-	-	-	-	-	(2,000)	(2,000)
Transfer to dividend reserve	-	-	-	(1,956)	1,956	-	-	-
Balance as at 30 June and 1 July 2013	150,113	2,612	(19,097)	103,077	1,956	238,661	29,021	267,682
Profit for the financial year	-	-	-	8,489	-	8,489	4,697	13,186
Other comprehensive income for the year	-	(15)	(2,350)	-	-	(2,365)	-	(2,365)
Total comprehensive income for the year	-	(15)	(2,350)	8,489	-	6,124	4,697	10,821
Dividends paid	-	-	-	(1,565)	(1,956)	(3,521)	-	(3,521)
Dividends payable to non-controlling interests	-	-	-	-	-	-	(1,500)	(1,500)
Balance as at 30 June 2014	150,113	2,597	(21,447)	110,001	-	241,264	32,218	273,482

Company	Share Capital $'000	Accumulated Profits/(losses) $'000	Dividend Reserve $'000	Total $'000
Balance as at 1 July 2012	150,113	(8,553)	1,565	143,125
Profit for the financial year	-	17,522	-	17,522
Total comprehensive income for the year	-	17,522	-	17,522
Dividends paid	-	-	(1,565)	(1,565)
Transfer to dividend reserve	-	(1,956)	1,956	-
Balance as at 30 June and 1 July 2013	150,113	7,013	1,956	159,082
Profit for the financial year	-	1,507	-	1,507
Total comprehensive income for the year	-	1,507	-	1,507
Dividends paid	-	(1,565)	(1,956)	(3,521)
Balance as at 30 June 2014	150,113	6,955	-	157,068

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 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.

There is no change in the company's share capital since the end of the previous corresponding period.

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.

	30 June 2014	30 June 2013
The total number of issued shares excluding treasury shares	156,453,000	156,453,000

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.

Not applicable.

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.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation as in the most recently audited annual statements except for the changes required by new or revised Financial Reporting Standards applicable to the Group effective from FY2014.

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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 changes in accounting policies and methods of computation did not have any significant effect on the financial statements.

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.

	Group	
	30/06/2014 Cents	30/06/2013 Cents
Earnings per share (basic and diluted)	5.42	23.55

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.

	Group		Company	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Net asset value per ordinary share based on issued share capital (cents)	154.21	152.54	100.39	101.68

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.

Group turnover for FY2014 decreased by 13.2% or $25.2m compared to FY2013. The decrease from $190.9m to $165.7m was in steel and property development.

Steel turnover decreased by $14.8m from $160.8m to $146m due to lower steel prices. Net operating profit for steel decreased by $6.1m from $17.5m to $11.4m for the previous corresponding period.

Property Development turnover decreased by $11m from $21.5m to $10.5m due to lower turnover in Malaysia while net operating profit decreased by $19m from $16m to a loss of $3m. No revenue was recorded for industrial park development in FY2014 but turnover in FY2013 included the sale of an industrial park lot for $16.7m with contribution of $12.6m to operating profit. A provision for impairment of completed properties of $3.6m was made at the end of FY2014 in view of the weak residential property market in Singapore.

Turnover for Property Rental improved by $0.7m to $9.1m. However, net operating profit decreased by $10.8m to $7.7m due mainly to a fair value gain on investment properties that is $11.0m lower compared to the previous corresponding period.

Including the share of loss of an associated company at $0.4m, net operating profit for the Group decreased by $36.3m from $52.5m to $16.2m.

Balance Sheet

On the balance sheet, the decrease in properties under development and increase in completed properties held for sale is due mainly to the transfer upon completion of a development project in Singapore. The decrease in trade debtors is due mainly to improved collection on steel customers. During FY2014, the revolving credit facility became due within 12 months and has been reclassified from non-current to current.

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

Not applicable.

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.

Since the end of the financial year, the international prices of steel have softened but the USD/SGD exchange rate has been unstable. Pressure on margins is expected to intensify due to the stiff competition amongst suppliers.

For the residential property market in Singapore, prices are expected to soften further while transactions for the higher-end segment have slowed significantly.

In Malaysia, turnover from property development will be lumpy as the key contribution will be from the industrial park development.

Rental income from its investment properties in Singapore are expected to be sustainable but the Group will lose the rental income from its hypermarket in Malaysia when its current lease ends in early 2015 and will not be renewed due to planned redevelopment.

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? Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	1.25 cent per ordinary share
Tax Rate	Tax exempt (one-tier)

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared.

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.

Transaction with Interested Persons

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Antara Steel Mills Sdn Bhd	-	17,292

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.

Segmental Reporting	Steel Trading		Property Development		Property Rental		Investment Holding		Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Sales to external customers	146,019	160,852	10,487	21,484	9,102	8,430	-	-	-	-	165,608	190,766
Investment income	-	-	-	-	-	-	51	99	-	-	51	99
Intersegment sales	-	-	-	-	47	43	-	-	(47)	(43)	-	-
Total revenue	146,019	160,852	10,487	21,484	9,149	8,473	51	99	(47)	(43)	165,659	190,865
Results:												
Interest income	-	-	375	683	-	-	-	-	-	-	375	683
Depreciation of property, plant and equipment	1,501	1,287	2	-	328	320	-	-	-	-	1,831	1,607
Provision for onerous contracts	44	-	-	-	-	-	-	-	-	-	44	-
Allowance for impairment of completed properties	-	-	3,559	-	-	-	-	-	-	-	3,559	-
Fair value gain on investment properties	-	-	-	-	2,100	13,110	-	-	-	-	2,100	13,110
Share of results of associated company	-	-	(355)	1,283	-	-	-	-	-	-	(355)	1,283
Operating profit	11,440	17,569	(2,982)	16,011	7,743	18,520	1,552	18,559	(1,500)	(18,125)	16,253	52,534
Finance costs											(995)	(1,026)
Profit before taxation											15,258	51,508
Assets and liabilities												
Segment assets	106,917	99,397	114,315	124,208	135,156	132,904	48,471	51,203	(61,301)	(64,868)	343,558	342,844
Tax assets											1,050	366
Total assets											344,608	343,210
Segment liabilities	38,877	36,916	4,870	4,458	45,222	46,988	17,520	18,467	(61,301)	(64,868)	45,188	41,961
Tax liability											4,396	5,466
Interest-bearing loans and borrowings											21,542	28,101
Total liabilities											71,126	75,528
Other segment information:												
Additions to non-current assets	3,776	2,962	39	-	79	122	-	-	-	-	3,894	3,084
Investment in associated company	-	-	16,913	17,789	-	-	-	-	-	-	16,913	17,789

Geographical information

	Singapore		Malaysia		People's Republic of China		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue	162,453	167,772	3,206	23,093	-	-	165,659	190,865
Non-current assets	138,635	188,546	13,905	12,602	16,913	17,789	169,453	218,937

15. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.

Please refer to item 8.

16. A breakdown of sales

		FY2014 $'000	FY2013 $'000	+/- %
a)	Sales reported for first half year	87,390	92,562	(5.6)
b)	Operating profit/loss after tax before deducting non-controlling interests reported for first half year	9,498	9,688	(2.0)
c)	Sales reported for second half year	78,269	98,303	(20.4)
d)	Operating profit/loss after tax before deducting non-controlling interests reported for second half year	3,688	34,383	(89.3)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Net Dividend

	Latest Full Year ($'000)	Previous Full Year ($'000)
Ordinary	1,565	1,956
Preference	-	-
Total	1,565	1,956

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationships with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties & position held, if any, during the year
Cheng Theng Kee	85	1) Father of Cheng Yong Liang (Managing Director), Cheng Yong Kwang (Director of subsidiary Teck Chiang Realty Pte Ltd) & Tan Sri Cheng Yong Kim (substantial shareholder); and 2) Brother of Tan Sri Cheng Heng Jem (Director & substantial shareholder) & Cheng Theng How (General Manager and Director of subsidiary Angkasa Amsteel Pte. Ltd.)	Position : Chairman of LTC and Managing Director ("M.D.") of Teck Chiang Realty Pte Ltd ("TCR"). Duties : In charge of the overall management of TCR. Date of appointment as Chairman of LTC : 24.2.97 Date of appointment as M.D. of TCR : 2.4.79	No change
Cheng Yong Liang	57	1) Son of Cheng Theng Kee (Chairman & substantial shareholder); 2) Nephew of Tan Sri Cheng Heng Jem (Director & substantial shareholder) & Cheng Theng How (General Manager and Director of subsidiary Angkasa Amsteel Pte. Ltd.); and 3) Brother of Cheng Yong Kwang (Director of subsidiary Teck Chiang Realty Pte Ltd) & Tan Sri Cheng Yong Kim (substantial shareholder).	Position : M.D. of LTC Duties : In charge of the overall management of the property business of the Company. Date of appointment : 24.2.97	No change

Name	Age	Family relationships with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties & position held, if any, during the year
Cheng Theng How	59	1) Brother of Cheng Theng Kee (Chairman & substantial shareholder) & Tan Sri Cheng Heng Jem (Director & substantial shareholder); and 2) Uncle of Cheng Yong Liang (M.D.), Cheng Yong Kwang (Director of subsidiary Teck Chiang Realty Pte Ltd) & Tan Sri Cheng Yong Kim (substantial shareholder).	Position : General Manager and Director of Angkasa Amsteel Pte. Ltd. ("AAPL"). Duties : Responsible for the overall management of AAPL. Date of appointment : 1.7.96	No change

BY ORDER OF THE BOARD

Silvester Bernard Grant
Company Secretary
26 August 2014