

**LCT HOLDINGS LIMITED**  
**(Formerly Known as Longcheer Holdings Limited)**

*Incorporated in Bermuda*  
 Company Registration No. 35673

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 second quarter ended 31 December 2018. These figures have not been audited.

**Income Statement For 2<sup>nd</sup> Quarter**

	<-----The Group----->					
	FY2019 2 <sup>nd</sup> Qtr 1 Oct 18 to 31 Dec 18 RMB'000	FY2018 2 <sup>nd</sup> Qtr 1 Oct 17 to 31 Dec 17 RMB'000	+ / (-) %	FY2019 1 <sup>st</sup> Half 1 Jul 18 to 31 Dec 18 RMB'000	FY2018 1 <sup>st</sup> Half 1 Jul 17 to 31 Dec 17 RMB'000	+ / (-)
<b>Revenue</b>	<b>3,018</b>	<b>2,995</b>	<b>1</b>	<b>6,501</b>	<b>5,863</b>	<b>11</b>
Cost of sales	(530)	(700)	(24)	(1,317)	(1,483)	(11)
<b>Gross profit</b>	<b>2,488</b>	<b>2,295</b>	<b>8</b>	<b>5,184</b>	<b>4,380</b>	<b>18</b>
Other gains	155	32	384	291	48	506
Administrative expenses	(1,953)	(2,288)	(15)	(3,458)	(4,011)	(14)
<b>Profit before income tax</b>	<b>690</b>	39	1,669	2,017	417	384
Income tax expense	(318)	(312)	2	(624)	(624)	-
<b>Profit/(loss) for the period</b>	<b>372</b>	<b>(273)</b>	<b>nm</b>	<b>1,393</b>	<b>(207)</b>	<b>nm</b>
<b>Profit/(loss) for the period attributable to:</b>						
Owners of the Company	<b>372</b>	<b>(273)</b>	<b>nm</b>	<b>1,393</b>	<b>(207)</b>	<b>nm</b>

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**Statement of Comprehensive Income**

	<-----The Group----->					
	FY2019 2 <sup>nd</sup> Qtr	FY2018 2 <sup>nd</sup> Qtr		FY2019 1 <sup>st</sup> Half	FY2018 1 <sup>st</sup> Half	
	1 Oct 18 to 31 Dec 18	1 Oct 17 to 31 Dec 17	+/( <sup>-</sup> )	1 Jul 18 to 31 Dec 18	1 Jul 17 to 31 Dec 17	+/( <sup>-</sup> )
	RMB'000	RMB'000	%	RMB'000	RMB'000	
<b>Profit /(loss)for the period</b>	<b>372</b>	<b>(273)</b>	<b>nm</b>	<b>1,393</b>	<b>(207)</b>	<b>nm</b>
<b>Other comprehensive income, net of tax</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Currency translation						
- Group	(144)	(565)	(75)	1,056	(1,407)	nm
<b>Other comprehensive income for the period, net of tax amounting to nil</b>	<b>(144)</b>	<b>(565)</b>	<b>(75)</b>	<b>1,056</b>	<b>(1,407)</b>	<b>nm</b>
<b>Total comprehensive income for the period</b>	<b>228</b>	<b>(838)</b>	<b>nm</b>	<b>2,449</b>	<b>(1,614)</b>	<b>nm</b>
<b>Total comprehensive income attributable to :</b>						
Owners of the Company	228	(838)	nm	2,449	(1,614)	nm

nm:Not meaningful / material

**Notes:**

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

	<-----The Group----->					
	FY2019 2 <sup>nd</sup> Qtr	FY2018 2 <sup>nd</sup> Qtr		FY2019 1 <sup>st</sup> Half	FY2018 1 <sup>st</sup> Half	
	1 Oct 18 to 31 Dec 18	1 Oct 17 to 31 Dec 17	+/( <sup>-</sup> )	1 Jul 18 to 31 Dec 18	1 Jul 17 to 31 Dec 17	+/( <sup>-</sup> )
	RMB'000	RMB'000	%	RMB'000	RMB'000	
(a) Bank interest income*	4	1	300	6	2	2
(b) Net fair value gainfor financial assets at fair value through profit or loss*	2	42	(95)	24	68	(65)
(c) Depreciation of property, plant and equipment	(37)	(2)	1,750	(74)	(4)	1,750
(d) Loss on disposal of property, plant and equipment	-	-	nm	-	(1)	(100)
(e) Exchangedifference, net*	(2)	(11)	(82)	110	(21)	nm

\*Included in other gains.

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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 Dec 18 RMB'000	As at 30 Jun 18 RMB'000	As at 31 Dec 18 RMB'000	As at 30 Jun 18 RMB'000
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Property, plant and equipment	597	671	-	-
Investment property	120,000	120,000	-	-
Intangible assets	50	-	-	-
Interests in subsidiaries	-	-	130,713	126,016
	120,647	120,671	130,713	126,016
<b>Current assets</b>				
Cash and bank balances	36,480	47,744	1,598	2,048
Financial assets at fair value through profit or loss	2,200	-	-	-
Other receivables	12,063	592	75	-
	50,743	48,336	1,673	2,048
<b>Current liabilities</b>				
Other payables	15,190	15,881	704	686
Amount due to a subsidiaries	-	-	1,373	-
	15,190	15,881	2,077	686
<b>Net current assets/(liabilities)</b>	<b>35,553</b>	<b>32,455</b>	<b>(404)</b>	<b>1,362</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	12,437	11,813	-	-
<b>Net assets</b>	<b>143,763</b>	<b>141,313</b>	<b>130,309</b>	<b>127,378</b>
<b>EQUITY</b>				
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	168,197	165,747	154,743	151,812
<b>Total equity</b>	<b>143,763</b>	<b>141,313</b>	<b>130,309</b>	<b>127,378</b>

**Current assets**

**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 2018 and 31 December 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 2<sup>nd</sup> Quarter Ended 31 December 2018

	<-----The Group----->			
	FY2019 2 <sup>nd</sup> Qtr 1 Oct 18 to 31 Dec 18 RMB'000	FY2018 2 <sup>nd</sup> Qtr 1 Oct 17 to 31 Dec 17 RMB'000	FY2019 1 <sup>st</sup> Half 1 Jul 18 to 31 Dec 18 RMB'000	FY2018 1 <sup>st</sup> Half 1 Jul 17 to 31 Dec 17 RMB'000
<b>Cash flow from operating activities</b>				
Profit before income tax	690	39	2,017	417
Adjustments for:				
Interest income of bank deposits	(4)	(1)	(6)	(2)
Net fair value gain for financial assets at fair value through profit or loss	(2)	(42)	(24)	(68)
Depreciation of property, plant and equipment	37	2	74	4
Loss on disposal of property, plant and equipment	-	-	-	1
Exchange difference, net	2	11	(110)	21
<b>Operating cash flows before movements in working capital</b>	<b>723</b>	<b>9</b>	<b>1,951</b>	<b>373</b>
Decrease in trade receivables	44	-	-	-
Decrease/(increase) in other receivables	(28)	344	(71)	275
Increase/(decrease) in other payables and trade deposits received from customers	(873)	64	(691)	(202)
<b>Net cash (used in)/generated from operating activities</b>	<b>(134)</b>	<b>417</b>	<b>1,189</b>	<b>446</b>
<b>Cash flow from investing activities</b>				
Interest received	4	1	6	2
Interest received from financial assets at fair value through profit or loss	2	42	24	68
Purchase of intangible assets	(50)	-	(50)	-
Acquisition of financial assets at fair value through profit or loss	(1,500)	(1,900)	(2,200)	(6,500)
Repayment from/(advance to) independent third party, net	100	-	(11,400)	-
<b>Net cash used in investing activities</b>	<b>(1,444)</b>	<b>(1,857)</b>	<b>(13,620)</b>	<b>(6,430)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,578)</b>	<b>(1,440)</b>	<b>(12,431)</b>	<b>(5,984)</b>
Cash and cash equivalents at the beginning of the financial period	38,204	40,395	47,744	45,791
Effect of foreign exchange rate changes, net	(146)	(576)	1,167	(1,428)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>36,480</b>	<b>38,379</b>	<b>36,480</b>	<b>38,379</b>
<b>Analysis of cash and cash equivalents</b>				
<b>Cash and bank balances</b>	<b>36,480</b>	<b>38,379</b>	<b>36,480</b>	<b>38,379</b>

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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
<b>Balance at 1 Oct 2018</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(61,204)</b>	<b>90,355</b>	<b>143,535</b>
Profit for the period	-	-	-	-	372	372
<b>Other comprehensive income</b>						
-Currency translation						
- Group	-	-	-	(144)	-	(144)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(144)</b>	<b>372</b>	<b>228</b>
<b>Balance at 31 Dec 2018</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(61,348)</b>	<b>90,727</b>	<b>143,763</b>
<b>Balance at 1 Oct 2017</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(62,065)</b>	<b>80,324</b>	<b>132,643</b>
Loss for the period	-	-	-	-	(273)	(273)
<b>Other comprehensive income</b>						
- Currency translation						
- Group	-	-	-	(565)	-	(565)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(565)</b>	<b>(273)</b>	<b>(838)</b>
<b>Balance at 31 Dec 2017</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(62,630)</b>	<b>80,051</b>	<b>131,805</b>

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**Statement of Changes in Equity for the Company**

Company	Share capital	Treasury shares	Share premium	Translation reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 Oct 2018</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(64,756)</b>	<b>81,872</b>	<b>131,500</b>
Loss for the period	-	-	-	-	(893)	(893)
<b>Other comprehensive income</b>						
-Currency translation	-	-	-	(298)	-	(298)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(298)</b>	<b>(893)</b>	<b>(1,191)</b>
<b>Balance at 31 Dec 2018</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(65,054)</b>	<b>80,979</b>	<b>130,309</b>
<b>Balance at 1 Oct 2017</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(69,259)</b>	<b>84,936</b>	<b>130,061</b>
Loss the period	-	-	-	-	(1,602)	(1,602)
<b>Other comprehensive income</b>						
-Currency translation	-	-	-	(2,000)	-	(2,000)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(2,000)</b>	<b>(1,602)</b>	<b>(3,602)</b>
<b>Balance at 31 Dec 2017</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(71,259)</b>	<b>83,334</b>	<b>126,459</b>

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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 December 2018, the Company held 4,421,875 (31 December 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 December 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 Dec 18	As at 30 Jun18
Issued shares	39,666,395	39,666,395
Less: Treasury shares	(4,421,875)	(4,421,875)
	<hr/>	<hr/>
<b>Total number of issued shares excluding treasury shares</b>	<b>35,244,520</b>	<b>35,244,520</b>

**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.

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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.

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 2018, 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 2018.

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----->			
	FY2019 2 <sup>nd</sup> Qtr RMB cents	FY2018 2 <sup>nd</sup> Qtr RMB cents	FY2019 1 <sup>st</sup> Half RMB cents	FY2018 1 <sup>st</sup> Half RMB cents
Earnings/(loss)per share	1.06	(0.77)	3.96	(0.58)
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 December 2018 and 2017 are the same as the basic earnings per share, as the Group has no dilutive potential during both periods.



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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 Dec 18 RMB (cents)	As at 30 Jun 18 RMB (cents)	As at 31 Dec 18 RMB (cents)	As at 30 Jun 18 RMB (cents)
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of period	407.90	400.95	369.73	361.41
Number of shares (excluding treasury shares)	35,244,520	35,244,520	35,244,520	35,244,520

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 from RMB2.99 million in Q2FY18 to RMB3.02 million in Q1 FY19 .The increase in rental income is due to the addition of new rent area.

**Gross profit and gross profit margin**

Gross profit was RMB2.49 million in Q2FY19 compared to RMB2.30 million in Q2FY18. Correspondingly, the gross profit margin of Q2FY19 rose from 76% of Q2FY18 to 82%. The increase in gross profit was mainly due to decrease in sales costs.

**Administrative expenses**

Administrative expenses decreased from RMB2.30 million in Q2 FY18 to RMB1.95 million in Q2 FY19 mainly due to decrease in operating costs of company.

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**Other gains and losses**

Other gains increased from RMB0.032 million in Q2FY18 to RMB0.16 million in Q2FY19 mainly due increase of non-operating income.

**Balance Sheet**

**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 deposit balances**

Cash and deposit balances decreased from RMB47.7 million as at 30 June 2018 to RMB36.4 million as at 31 December 2018 mainly due topurchase of bank financial products and advance to other enterprise.

**Other payables**

This mainly relates to the deposit paid by Xi'an customers and accrued expenses.

**Deferred tax liabilities**

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

**Cash Flow**

For Q2 FY19, the Group recorded net cash used in operating activities of RMB0.013 million.  
For Q2FY19, the Group recorded net cash used in investing activities of RMB1.44 million.

**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.

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- 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.**

Because the uncertain economic environment brings pressure to the local office rental market, management will devote themselves to exploring a variety of leasing methods and new forms of operation to maintain the stable development of the company's operation.

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.

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

No dividend has been recommended.

- 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 second quarter ended 31 December 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 February 2019