LTC CORPORATION LIMITED
Company Registration No : 196400176K

Third Quarter Financial Statement for the Period Ending 31/03/2018.

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 3 months ended			Group 9 months ended		
	31/03/18 $'000	31/03/17 $'000	+/- %	31/03/18 $'000	31/03/17 $'000	+/- %
Revenues	27,023	27,771	(2.7)	91,178	107,079	(14.8)
Cost of sales	(22,601)	(20,661)	9.4	(77,333)	(92,533)	(16.4)
Gross profit	4,422	7,110	(37.8)	13,845	14,546	(4.8)
Other income	691	499	38.5	885	763	16.0
Selling and distribution expenses	(268)	(236)	13.6	(617)	(1,165)	(47.0)
Administrative expenses	(3,093)	(2,733)	13.2	(7,521)	(6,960)	8.1
Other operating (expense)/income	(283)	(640)	(55.8)	95	1,472	(93.5)
Share of results of a joint venture	(335)	(342)	(2.0)	(1,035)	(978)	5.8
Share of results of associated company	(96)	(109)	(11.9)	(155)	(100)	55.0
Operating profit	1,038	3,549	(70.8)	5,497	7,578	(27.5)
Finance income	113	170	(33.5)	301	414	(27.3)
Finance costs	(152)	(194)	(21.6)	(549)	(612)	(10.3)
Profit before taxation	999	3,525	(71.7)	5,249	7,380	(28.9)
Taxation	(482)	(590)	(18.3)	(1,468)	(1,248)	17.6
Profit for the financial period	517	2,935	(82.4)	3,781	6,132	(38.3)
Other comprehensive income						
Items that will not be reclassified to profit or loss:	-	-	NM	-	-	NM
Items that may be reclassified subsequently to profit or loss:						
Other capital reserve	12	183	(93.4)	21	168	(87.5)
Exchange differences on consolidation	2,643	(1,757)	NM	5,267	(5,523)	NM
Share of other comprehensive income of associated company	91	(16)	NM	155	42	269.0
	2,746	(1,590)	NM	5,443	(5,313)	NM
Other comprehensive income, net of tax	2,746	(1,590)	NM	5,443	(5,313)	NM
Total comprehensive income for the financial period	3,263	1,345	142.6	9,224	819	1026.3
(Loss)/profit for the financial period attributable to:						
Owners of the Company	(150)	1,892	NM	1,579	4,317	(63.4)
Non-controlling interests	667	1,043	(36.0)	2,202	1,815	21.3
	517	2,935	(82.4)	3,781	6,132	(38.3)
Total comprehensive income attributable to:						
Owners of the Company	2,580	335	670.1	7,001	(913)	NM
Non-controlling interests	683	1,010	(32.4)	2,223	1,732	28.3
	3,263	1,345	142.6	9,224	819	1026.3

Included in the above are the following charges/(credits):	31/03/18 $'000	31/03/17 $'000	+/- %	31/03/18 $'000	31/03/17 $'000	+/- %
Foreign exchange loss	283	640	(55.8)	478	629	NM
Write-back of foreseeable loss on property under development	-	-	NM	(247)	-	NM
Write-back of impairment loss on properties under development	-	-	NM	(326)	-	NM
Write-back of allowance for impairment of completed properties	-	-	NM	-	(2,101)	(100.0)
Total other operating expense/(income)	283	640	(55.8)	(95)	(1,472)	(93.5)
Depreciation of property, plant & equipment	657	734	(10.5)	1,974	2,144	(7.9)
(Write-back)/provision for onerous contracts	(672)	581	NM	663	471	40.8

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	
	31/03/18 $'000	30/06/17 $'000	31/03/18 $'000	30/06/17 $'000
Non-current assets				
Investment properties	118,064	118,000	-	-
Property, plant and equipment	25,661	27,300	-	-
Subsidiary companies	-	-	130,170	130,170
Due from subsidiary companies	-	-	47,031	48,492
Joint venture company	35,282	22,237	-	-
Associated company	7,044	7,162	-	-
Long-term investments	4,801	4,780	380	380
Properties under development	15,443	14,128	-	-
Deferred tax assets	576	327	-	-
	206,871	193,934	177,581	179,042
Current assets				
Completed properties held for sale	13,919	13,279	-	-
Inventories	57,314	50,225	-	-
Prepayments	148	89	1	1
Trade debtors	22,550	19,482	-	-
Other debtors	285	1,222	-	-
Due from subsidiary company	-	-	3	1,005
Due from related parties	277	1,475	-	-
Tax recoverable	1,179	585	-	-
Fixed deposits	25,989	33,915	-	-
Cash and bank balances	14,415	14,939	25	26
	136,076	135,211	29	1,032
Current liabilities				
Trade creditors	33,803	28,480	-	-
Other creditors	2,803	3,405	58	222
Due to related parties	1,263	1,190	-	20
Interest-bearing loans and borrowings	-	6	-	-
Provisions	1,655	1,173	-	-
Derivatives	163	75	-	-
Provision for taxation	1,816	540	-	-
	41,503	34,869	58	242
Net current assets/(liabilities)	94,573	100,342	(29)	790
Non-current liabilities				
Trade creditors	569	1,060	-	-
Due to subsidiary companies	-	-	22,320	21,123
Deferred tax liabilities	3,612	3,612	-	-
	4,181	4,672	22,320	21,123
	297,263	289,604	155,232	158,709
Equity attributable to owners of the Company				
Share capital	150,113	150,113	150,113	150,113
Capital reserve	6,375	6,354	-	-
Exchange translation reserve	(28,852)	(34,253)	-	-
Accumulated profits	132,331	132,317	5,119	8,596
	259,967	254,531	155,232	158,709
Non-controlling interests	37,296	35,073	-	-
	297,263	289,604	155,232	158,709

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

Amount repayable in one year or less, or on demand

As at 31/03/2018		As at 30/06/2017	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
-	-	6	-

Amount repayable after one year

As at 31/03/2018		As at 30/06/2017	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
-	-	-	-

Details of any collateral

Details of any collateral:

	Group		
	31/3/2018	30/6/2017	
Interest-bearing loans and borrowings	$'000	$'000	
Lease liabilities	-	6	Note
	-	6	

Note: 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	Group 3 months ended		Group 9 months ended	
	31/03/18	31/03/17	31/03/18	31/03/17
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Profit before tax	999	3,525	5,249	7,380
Adjustments for :				
Depreciation of property, plant and equipment	657	734	1,974	2,144
(Write-back)/provision for onerous contracts	(672)	581	663	471
Interest income	(113)	(170)	(301)	(414)
Gain on disposal of property, plant and equipment	(96)	(122)	(96)	(122)
Finance costs	152	194	573	636
Write-back of provision for foreseeable loss on development properties	-	-	(247)	-
Write-back for impairment of properties under development	-	-	(326)	-
Write-back for impairment of completed properties	-	-	-	(2,101)
Gain on fair value changes on derivatives	146	591	88	130
Share of results of joint venture company	335	342	1,035	978
Share of results of associated company	96	109	155	100
Operating cash flows before changes in working capital	1,504	5,784	8,767	9,202
Increase in inventories	(8,002)	(11,794)	(7,089)	(5,867)
Decrease/(increase) in debtors and prepayments	1,488	2,307	(2,190)	(8,265)
Increase in creditors	156	679	4,230	5,179
Increase in properties under development	(135)	(595)	(192)	(1,247)
Decrease in completed properties held for sale	-	-	102	16,213
Currency realignment	282	(417)	468	(1,277)
Cash flows from operations	(4,707)	(4,036)	4,096	13,938
Interest paid	(152)	(159)	(541)	(532)
Income taxes paid	(404)	(862)	(1,035)	(1,651)
Net cash flows (used in)/generated from operating activities	(5,263)	(5,057)	2,520	11,755
Cash flows from investing activities :				
Interest received	113	170	301	414
Capital expenditure on investment properties	(16)	(20)	(64)	(106)
Proceeds from disposal of property, plant and equipment	96	122	96	122
Purchase of property, plant and equipment	(310)	(869)	(323)	(897)
Investment in joint venture company	(1,302)	-	(12,230)	-
Dividends received from joint venture company	165	-	165	-
Loan repayment from associated company	-	-	117	2,121
Net cash flows (used in)/generated from investing activities	(1,254)	(597)	(11,938)	1,654
Cash flows from financing activities :				
Decrease in finance lease obligations	(4)	(21)	(6)	(50)
Placement of deposits	-	60	-	47
Settlement of interest rate swap	-	(35)	(32)	(104)
Increase/(decrease) in amounts due to related parties	1,031	(294)	1,075	(290)
Decrease/(increase) in amounts due from related parties	426	(118)	1,198	(299)
Dividends paid	-	-	(1,565)	(1,564)
Dividends paid to non-controlling interest of a subsidiary	-	-	(1,002)	(750)
Net cash flows generated from/(used in) financing activities	1,453	(408)	(332)	(3,010)
Net (decrease)/increase in cash and cash equivalents	(5,064)	(6,062)	(9,750)	10,399
Effect of exchange rate changes on cash and cash equivalents	650	(433)	1,300	(1,373)
Cash and cash equivalents at beginning of financial period	44,818	49,831	48,854	34,310
Cash and cash equivalents at end of financial period	40,404	43,336	40,404	43,336

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	Equity Attibutable to Owners of the Company $'000	Non-controlling Interests $'000	Total $'000
Balance as at 1 July 2017	150,113	6,354	(34,253)	132,317	254,531	35,073	289,604
Profit for the financial period	-	-	-	1,579	1,579	2,202	3,781
Other comprehensive income for the period							
Other capital reserve	-	21	-	-	21	-	21
Exchange differences on consolidation	-	-	5,246	-	5,246	21	5,267
Share of other comprehensive income of associated company	-	-	155	-	155	-	155
Total comprehensive income for the period	-	21	5,401	1,579	7,001	2,223	9,224
Dividends paid	-	-	-	(1,565)	(1,565)	-	(1,565)
Balance as at 31 March 2018	150,113	6,375	(28,852)	132,331	259,967	37,296	297,263
Balance as at 1 July 2016	150,113	6,225	(30,210)	125,411	251,539	34,525	286,064
Profit for the financial period	-	-	-	4,317	4,317	1,815	6,132
Other comprehensive income for the period							
Other capital reserve	-	168	-	-	168	-	168
Exchange differences on consolidation	-	-	(5,440)	-	(5,440)	(83)	(5,523)
Share of other comprehensive income of associated company	-	-	42	-	42	-	42
Total comprehensive income for the period	-	168	(5,398)	4,317	(913)	1,732	819
Dividends paid	-	-	-	(1,564)	(1,564)	-	(1,564)
Dividends paid to noncontrolling interests	-	-	-	-	-	(750)	(750)
Balance as at 31 March 2017	150,113	6,393	(35,608)	128,164	249,062	35,507	284,569

Company	Share Capital $'000	Accumulated Profits $'000	Total $'000
Balance as at 1 July 2017	150,113	8,596	158,709
Profit for the financial period	-	(1,912)	(1,912)
Total comprehensive income for the period	-	(1,912)	(1,912)
Dividends paid	-	(1,565)	(1,565)
Balance as at 31 March 2018	150,113	5,119	155,232
Balance as at 1 July 2016	150,113	8,393	158,506
Profit for the financial period	-	1,343	1,343
Total comprehensive income for the period	-	1,343	1,343
Dividends paid	-	(1,564)	(1,564)
Balance as at 31 March 2017	150,113	8,172	158,285

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.

	31 March 2018	30 June 2017
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 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 FY2018.

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.

	3 months ended		9 months ended	
	31/03/2018 Cents	31/03/2017 Cents	31/03/2018 Cents	31/03/2017 Cents
(Loss)/earnings per share (basic and diluted)	(0.10)	1.21	1.01	2.76

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	
	31/03/2018	30/06/2017	31/03/2018	30/06/2017
Net asset value per ordinary share based on issued share capital (cents)	166.16	162.69	99.22	101.44

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.

3 months ended 31 March 2018

Group turnover for Q3 of FY18 decreased 2.7% or $0.8m to $27.0m from $27.8m for Q3 of FY17 mainly due to lower turnover for steel.

Steel turnover decreased by $0.8m from $25.9m to $25.1m due to lower turnover in both Malaysia and Singapore. Net operating profit for steel decreased by $0.9m to $1.7m from $2.6m as there was a significantly higher surge in steel prices during the previous corresponding quarter.

No turnover was recorded for property development for Q3 of FY18 and FY17. A net operating loss of $0.4m was incurred for Q3 compared to a profit of $0.3m for the previous corresponding quarter.

Property rental turnover was unchanged at $1.9m as per the previous corresponding quarter. Net operating profit decreased by $0.1m to $0.8m from $0.9m for the previous period.

Including the results of investment holding, net operating profit for the Group decreased by $2.5m to $1.0m.

9 months ended 31 March 2018

Group turnover for 9MFY18 decreased by 14.8% or $15.9m to $91.2m from $107.1m for 9MFY17 mainly due to lower turnover for property development.

Steel turnover decreased by $1.8m from $86.8m to $85.0m due to lower turnover in Malaysia. Net operating profit for steel increased by $0.7m from $4.9m to $5.6m due to higher steel prices, the high proportion of variable-price contracts and the increased volume in Singapore.

Turnover for property development decreased by $13.9m compared to the previous corresponding period. Net operating loss increased by $0.2m to $0.7m from $0.5m for the previous corresponding period.

Turnover for property rental decreased by $0.2m to $5.7m from $5.9m for the previous corresponding period. Net operating profit decreased by $0.4m to $3.2m from $3.6m for the previous corresponding period.

Including the results of investment holding, net operating profit for the Group decreased by $2.1m to $5.5m from $7.6m.

On the balance sheet, the increase in joint ventures is due to the completion of the acquisition of the 40% share in Regata Maju Sdn Bhd in July and subsequent advances to the joint venture.

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.

International prices of steel rebar remain high while the USD/SGD exchange rate is unstable. In Singapore, construction demand from the private sector may improve following the pickup in the residential property market. In Malaysia, the risk of increasing steel prices poses a challenge as supply contracts are mostly fixed-priced.

Turnover from property development in Malaysia will continue to be irregular as the key contribution will be from the industrial park development.

Rental rates and occupancy for the investment properties in Singapore are not expected to change significantly within the year.

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) 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. Transaction with Interested Persons

	For the financial period ending 31 March 2018	
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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	$'000	$'000
Amsteel Mills Marketing Sdn Bhd	-	1,887
Antara Steel Mills Sdn Bhd	-	8,849

14. Confirmation by Directors

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the interim financial results of LTC Corporation Limited for the third quarter ended 31 March 2018, to be false or misleading.

15. Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company confirms that undertakings pursuant to Rule 720(1) of the SGX Listing Manual have been obtained from all its Directors and executive officers in the format set out in Appendix 7.7.

BY ORDER OF THE BOARD

Silvester Bernard Grant
Company Secretary
7 May 2018