

LTC CORPORATION LIMITED
(formerly known as Lion Teck Chiang Limited)
Company Registration No : 196400176K

Third Quarter Financial Statement for the Period Ending 31/03/2015.

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

	3 months ended			9 months ended		
	31/03/2015	31/03/2014	+/-	31/03/2015	31/03/2014	+/-
	\$'000	\$'000	%	\$'000	\$'000	%
Revenues	44,865	42,844	4.7	130,256	130,234	0.0
Cost of sales	(35,798)	(36,272)	(1.3)	(108,999)	(108,221)	0.7
Gross profit	<u>9,067</u>	<u>6,572</u>	38.0	<u>21,257</u>	<u>22,013</u>	(3.4)
Other income	235	295	(20.3)	641	914	(29.9)
Selling and distribution expenses	(140)	(232)	(39.7)	(707)	(852)	(17.0)
Administrative expenses	(4,433)	(2,389)	85.6	(8,474)	(5,591)	51.6
Other operating expenses	405	(378)	NM	373	139	168.3
Share of results of associated company	(3)	184	NM	200	(590)	NM
Operating profit	<u>5,131</u>	<u>4,052</u>	26.6	<u>13,290</u>	<u>16,033</u>	(17.1)
Finance costs	(218)	(226)	(3.5)	(718)	(614)	16.9
Profit before taxation	4,913	3,826	28.4	12,572	15,419	(18.5)
Taxation	(1,427)	(418)	241.4	(3,158)	(2,513)	25.7
Profit for the period	<u>3,486</u>	<u>3,408</u>	2.3	<u>9,414</u>	<u>12,906</u>	(27.1)
Other comprehensive income						
Items that will not be reclassified to profit and loss:						
Other capital reserve	-	-	NM	-	-	NM
	-	-	NM	-	-	NM
Items that may be reclassified subsequently to profit and loss:						
Exchange differences on consolidation	(1,438)	72	NM	(3,603)	(2,396)	50.4
Share of other comprehensive income of associated company	1,041	(725)	NM	2,427	(367)	NM
	(397)	(653)	(39.2)	(1,176)	(2,763)	(57.4)
Other comprehensive income for the period, net of tax	(397)	(653)	(39.2)	(1,176)	(2,763)	(57.4)
Total comprehensive income for the period	<u>3,089</u>	<u>2,755</u>	12.1	<u>8,238</u>	<u>10,143</u>	(18.8)
Profit for the period attributable to:						
Owners of the Company	3,042	2,411	26.2	9,032	8,611	4.9
Non-controlling interests	444	997	(55.5)	382	4,295	(91.1)
	<u>3,486</u>	<u>3,408</u>	2.3	<u>9,414</u>	<u>12,906</u>	(27.1)
Total comprehensive income attributable to:						
Owners of the Company	2,645	1,758	50.5	7,856	5,848	34.3
Non-controlling interests	444	997	(55.5)	382	4,295	(91.1)
	<u>3,089</u>	<u>2,755</u>	12.1	<u>8,238</u>	<u>10,143</u>	(18.8)
Included in the above are the following charges/(credits):						
	31/03/2015	31/03/2014	+/-	31/03/2015	31/03/2014	+/-
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant & equipment	598	417	43.4	1,661	1,175	41.4
Foreign exchange (gain)/loss	(405)	378	NM	(1,253)	(139)	801.4
Write-back of allowance for impairment loss, completed properties	-	-	NM	(276)	-	NM
Write-back of foreseeable losses, properties under development	-	-	NM	(442)	-	NM
Property development costs written off	-	-	NM	1,598	-	NM
Provision for qualifying certificate extension charges	1,649	-	NM	1,649	-	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	
	31/03/2015 \$'000	30/06/2014 \$'000	31/03/2015 \$'000	30/06/2014 \$'000
Non-current assets				
Investment properties	117,180	117,100	-	-
Property, plant and equipment	21,648	17,842	-	-
Subsidiary companies	-	-	182,016	181,077
Associated company	19,540	16,913	-	-
Long-term investments	3,730	3,730	380	380
Properties under development	13,635	13,868	-	-
Deferred tax assets	1,310	1,050	-	-
	<u>177,043</u>	<u>170,503</u>	<u>182,396</u>	<u>181,457</u>
Current assets				
Non-current assets held for sale	-	1,492	-	-
Completed properties held for sale	57,062	61,873	-	-
Inventories	33,685	44,122	-	-
Prepayments	145	96	2	2
Trade debtors	34,392	24,453	-	-
Other debtors	2,000	2,204	-	66
Due from subsidiary company	-	-	271	1,500
Due from related parties	823	862	-	-
Fixed deposits	11,626	7,788	-	-
Cash and bank balances	25,482	31,215	46	46
	<u>165,215</u>	<u>174,105</u>	<u>319</u>	<u>1,614</u>
Current liabilities				
Provisions	1,649	-	-	-
Trade creditors	30,586	33,704	-	-
Other creditors	4,860	5,494	73	247
Due to related parties	2,529	5,436	11	10
Interest-bearing loans and borrowings	38	16,750	-	-
Provision for taxation	3,555	2,482	-	-
	<u>43,217</u>	<u>63,866</u>	<u>84</u>	<u>257</u>
Net current assets/(liabilities)	121,998	110,239	235	1,357
Non-current liabilities				
Trade creditors	961	554	-	-
Due to subsidiary companies	-	-	24,847	25,746
Interest-bearing loans and borrowings	14,446	4,792	-	-
Deferred taxation	1,914	1,914	-	-
	<u>17,321</u>	<u>7,260</u>	<u>24,847</u>	<u>25,746</u>
	<u>281,720</u>	<u>273,482</u>	<u>157,784</u>	<u>157,068</u>
Equity attributable to owners of the Company				
Share capital	150,113	150,113	150,113	150,113
Capital reserve	2,597	2,597	-	-
Exchange translation reserve	(22,623)	(21,447)	-	-
Accumulated profits	119,033	110,001	7,671	6,955
	<u>249,120</u>	<u>241,264</u>	<u>157,784</u>	<u>157,068</u>
Non-controlling interests	32,600	32,218	-	-
	<u>281,720</u>	<u>273,482</u>	<u>157,784</u>	<u>157,068</u>

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

Amount repayable in one year or less, or on demand

As at 31/03/2015		As at 30/06/2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
38	-	16,750	-

Amount repayable after one year

As at 31/03/2015		As at 30/06/2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
14,446	-	4,792	-

Details of any collateral

	Group		Note
	31/03/2015	30/06/2014	
Interest-bearing loans and borrowings	\$'000	\$'000	
Short-term			
Revolving credit facility	-	16,705	1
Lease liabilities	38	45	3
	<u>38</u>	<u>16,750</u>	
Long-term			
Revolving credit facility	14,405	-	1
Bank loans	-	4,725	2
Lease liabilities	41	67	3
	<u>14,446</u>	<u>4,792</u>	

- 1) secured on investment properties, shares in a subsidiary and corporate guarantee of the company
- 2) secured on certain completed properties 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	3 months ended		9 months ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before taxation	4,913	3,826	12,572	15,419
Adjustments for :				
Depreciation of property, plant and equipment	598	417	1,661	1,175
Finance costs	218	226	718	614
Interest income	(2)	(93)	(166)	(258)
Gain on disposal of property, plant and equipment	-	(72)	(84)	(101)
Loss/(gain) on fair value of derivatives	(17)	128	(88)	205
Provision for onerous contracts	(85)	-	(38)	-
Write-back of allowance for impairment of completed properties	-	-	(276)	-
Write-back of provision for foreseeable loss on property under development	-	-	(442)	-
Write-off of cost of property under development	-	-	1,576	-
Share of results of associated company	3	(184)	(200)	590
Currency realignment	(1,122)	72	(2,803)	(1,869)
Operating profit before reinvestment in working capital	4,506	4,320	12,430	15,775
(Increase)/decrease in inventories	(1,884)	(2,409)	10,475	7,828
Decrease in debtors and prepayments	4,434	6,746	(9,696)	3,027
Increase in provisions	1,649	-	1,649	-
Increase/(decrease) in creditors	(1,696)	415	(3,345)	(11,064)
(Decrease)/increase in amounts due to related parties	(2,058)	(433)	(1,407)	203
(Increase)/decrease in amounts due from related parties	(91)	(76)	39	68
Decrease in non-current asset held for sale	-	-	1,492	-
Increase in properties under development	101	(106)	(901)	(236)
Decrease in completed properties held for sale	442	3,901	5,087	6,915
Cash generated from operations	5,403	12,358	15,823	22,516
Interest paid	(218)	(226)	(718)	(614)
Income taxes paid	(1,131)	(381)	(2,345)	(3,311)
Net cash generated from operating activities	4,054	11,751	12,760	18,591
Cash flows from investing activities :				
Interest received	2	93	166	258
Proceeds from disposal of property, plant and equipment	-	72	161	125
Capital expenditure on investment properties	(80)	-	(80)	-
Purchase of property, plant and equipment	(1,303)	(800)	(5,554)	(2,813)
Net cash used in investing activities	(1,381)	(635)	(5,307)	(2,430)
Cash flows from financing activities :				
Decrease in finance lease obligations	(11)	(11)	(33)	(33)
Proceeds of short-term borrowings	-	-	(4,725)	6,120
Repayment of long-term borrowings	-	(7,540)	(2,300)	(13,359)
Dividends paid to non-controlling interests of a subsidiary	-	-	(1,500)	(2,000)
Dividends paid by the company	-	-	-	(1,956)
Net cash used in financing activities	(11)	(7,551)	(8,558)	(11,228)
Net increase/(decrease) in cash and cash equivalents	2,662	3,565	(1,105)	4,933
Effects of exchange rate changes on cash and cash equivalents	(307)	-	(790)	(527)
Cash and cash equivalents at beginning of period	34,753	29,043	39,003	28,202
Cash and cash equivalents at end of period	37,108	32,608	37,108	32,608

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	Exchange	Accumulated	Dividend	Equity	Non-controlling	Total
	Capital	Reserve	Translation	Profits	Reserve	to Owners of	Interests	
	\$'000	\$'000	\$'000	\$'000	\$'000	the Company	\$'000	\$'000
Balance as at 1 July 2014	150,113	2,597	(21,447)	110,001	-	241,264	32,218	273,482
Profit for the financial year	-	-	-	9,032	-	9,032	382	9,414
Other comprehensive income for the year	-	-	(1,176)	-	-	(1,176)	-	(1,176)
Total comprehensive income for the year	-	-	(1,176)	9,032	-	7,856	382	8,238
Balance as at 31 March 2015	150,113	2,597	(22,623)	119,033	-	249,120	32,600	281,720
Balance as at 1 July 2013	150,113	2,612	(19,097)	103,077	1,956	238,661	29,021	267,682
Profit for the financial year	-	-	-	8,611	-	8,611	4,295	12,906
Other comprehensive income for the year	-	-	(2,763)	-	-	(2,763)	-	(2,763)
Total comprehensive income for the year	-	-	(2,763)	8,611	-	5,848	4,295	10,143
Dividends paid	-	-	-	-	(1,956)	(1,956)	-	(1,956)
Balance as at 31 March 2014	150,113	2,612	(21,860)	111,688	-	242,553	33,316	275,869

Company	Share	Accumulated	Dividend	Total
	Capital	Profits	Reserve	
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2014	150,113	6,955	-	157,068
Profit for the financial year	-	716	-	716
Total comprehensive income for the year	-	716	-	716
Balance as at 31 March 2015	150,113	7,671	-	157,784
Balance as at 1 July 2013	150,113	7,013	1,956	159,082
Profit for the financial year	-	436	-	436
Total comprehensive income for the year	-	436	-	436
Dividends paid	-	-	(1,956)	(1,956)
Balance as at 31 March 2014	150,113	7,449	-	157,562

- 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 2015	30 June 2014
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 FY2015.

- 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	
	31/03/2015 Cents	31/03/2014 Cents	31/03/2015 Cents	31/03/2014 Cents
Earnings per share (basic and diluted)	1.94	1.54	5.77	5.50

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	
	31/03/2015	30/06/2014	31/03/2015	30/06/2014
Net asset value per ordinary share based on issued share capital (cents)	159.23	154.21	100.85	100.39

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 2015

Group turnover for Q3 increased by 4.7% or \$2.0m compared to the previous corresponding period. The increase from \$42.8m to \$44.8m was due to higher turnover for property development and steel.

Steel turnover increased by \$0.6m from \$36.0m to \$36.6m due to higher tonnage delivered despite lower steel prices. Net operating profit for steel fell by \$1.3m from \$2.5m for the previous corresponding period to \$1.2m.

Turnover and net operating profit for Property Development increased by \$1.7m and \$2.6m respectively due to industrial park development sales in Malaysia.

Turnover for Property Rental declined by \$0.3m to \$2.0m and operating profit declined by \$0.4m to \$1.0m due to the expiry of tenancy at the hypermarket at Skudai.

The increase in administrative expenses is due mainly to the provision for qualifying certificate extension charges which may be imposed on the unsold completed units at Seven Crescent. Including the share of results of an associate, operating profit for the Group increased by \$1.1m from \$4.0m to \$5.1m.

9 months ended 31 March 2015

Group turnover was flat compared to the previous corresponding period with the decline in sales for steel offset by higher sales for property development.

Steel turnover decreased by \$9.7m from \$113.4m to \$104.7m due to lower steel prices despite higher tonnage delivered. Net operating profit for steel fell by \$9.4m from \$10.7m for the previous corresponding period to \$1.3m.

Turnover for Property Development increased by \$9.9m while net operating profit improved by \$6.0m to \$6.8m.

Turnover for Property Rental declined \$0.2m to \$6.7m while operating profit declined \$0.3m to \$4.2m.

Including the share of results from an associate, operating profit for the Group decreased by \$2.7m from \$16.0m to \$13.3m.

On the balance sheet, the decrease in inventories is due to lower stock level and steel prices. The increase in trade debtors is due to industrial park development sales and higher steel sales during the quarter. During the period, the revolving credit facility was renewed and hence reclassified from current to non-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.

The international price of steel has continued to weaken during the quarter but the USD/SGD exchange rate has become more unstable. Local construction demand is expected to weaken for the private sector but remain firm with support from public infrastructure projects. Competition amongst steel suppliers has intensified and may worsen.

Prices remain soft in the Singapore residential property market even though transaction volume has improved for some mass market project launches. The Group expects to incur significant charges if it is not able to dispose of its remaining stock under the current suppressed prices in the market.

Interest from foreign investors in the Group's industrial park development in Malaysia is expected to be sustained.

The investment properties in Singapore are likely to continue to have high occupancy though rental rates may have peaked.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	1 cent per ordinary share
Tax Rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

The interim dividend will be paid on 12 June 2015.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 26 May 2015 for the purposes of determining Shareholders' entitlements to the interim dividend.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 25 May 2015 will be registered to determine Shareholders' entitlements to the interim dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 25 May 2015 will be entitled to the interim dividend.

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

Not applicable.

13. Transaction with Interested Persons

Name of interested person	For the financial period ending 31 March 2015	
	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
Antara Steel Mills Sdn Bhd	-	17,155

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 2015, to be false or misleading.

BY ORDER OF THE BOARD

Silvester Bernard Grant
Company Secretary
8 May 2015