

LCT HOLDINGS LIMITED
(Formerly Known as Longcheer Holdings Limited)

Incorporated in Bermuda
 Company Registration No. 35673

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 DECEMBER 2016

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 2nd quarter ended 31 December 2016. These figures have not been audited.

Income Statement For 2nd Quarter

	<-----The Group----->					
	FY2017 2 nd Qtr	FY2016 2 nd Qtr		FY2017 1 st Half	FY2016 1 st Half	
	1 Oct 16 to 31 Dec 16	1 Oct 15 to 31 Dec 15	+/(-)	1 Jul 16 to 31 Dec 16	1 Jul 15 to 31 Dec 15	+/(-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	2,900	2,730	6	6,429	5,399	19
Cost of sales	(559)	(628)	-11	(1,357)	(1,318)	3
Gross profit	2,341	2,102	11	5,072	4,081	24
Other gains and losses	1,267	753	68	1,841	(1,427)	nm
Administrative expenses	(2,126)	(2,387)	-11	(4,572)	(5,031)	-9
Share of results of associates	-	5,367	nm	-	10,077	nm
Profit before income tax	1,482	5,835	-75	2,341	7,700	-70
Profit for the period	1,482	5,835	-75	2,341*	7,700	-70
Profit for the period attributable to :						
Owners of the Company	1,482	5,835	-75	2,341	7,700	-70
	1,482	5,835	-75	2,341	7,700	-70

*Including the reclassification adjustment on disposal of available-for-sale financial assets under other comprehensive income of RMB2,662,000. If excluded the effect of reclassification adjustment, loss for the period amounted to RMB321,000.

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Statement of Comprehensive Income

	<-----The Group----->					
	FY2017 2 nd Qtr	FY2016 2 nd Qtr		FY2017 1 st Half	FY2016 1 st Half	
	1 Oct 16 to 31 Dec 16	1 Oct 15 to 31 Dec 15	+/(-)	1 Jul 16 to 31 Dec 16	1 Jul 15 to 31 Dec 15	+/(-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit for the period	1,482	5,835	-75	2,341	7,700	-70
Other comprehensive income, net of tax						
Items that may be reclassified						
subsequently to profit or loss:						
Change in fair value on available-for-sale financial assets	-	-	nm	805	-	nm
Currency translation						
- Group	11,087	702	nm	11,335	2,584	nm
- Associates	-	1,048	nm	-	2,740	nm
Reclassification adjustment						
- Disposal of available-for-sale-financial assets	-	-	nm	(2,662)*	-	nm
Other comprehensive income for the period, net of tax amounting to nil	11,087	1,750	nm	9,478	5,324	78
Total comprehensive income for the period	12,569	7,585	66	11,819	13,024	-9
Total comprehensive income attributable to:						
Owners of the Company	12,569	7,585	66	11,819	13,024	-9

nm: Not meaningful / material

*The adjustment represents reclassification of accumulated fair value change from available-for-sale financial assets revaluation reserve to profit or loss upon disposal of available-for-sale-financial assets.

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Notes:

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

	<-----The Group----->					
	FY2017	FY2016		FY2017	FY2016	
	2 nd Qtr	2 nd Qtr		1 st Half	1 st Half	
	1 Oct 16 to	1 Oct 15 to	+/(-)	1 Jul 16 to	1 Jul 15 to	+/(-)
	31 Dec 16	31 Dec 15		31 Dec16	31 Dec15	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
(a) Bank interest income*	173	106	63	174	107	63
(b) Net fair value gain for financial assets at fair value through profit or loss*	-	-	nm	152	44	nm
(c) Depreciation of property, plant and equipment	(2)	(11)	-82	(6)	(21)	-71
(d) Loss on disposal of property, plant and equipment*	-	-	nm	(1)	-	nm
(e) Exchange difference, net*	659	338	95	569	(1,887)	nm
(f) Gain on disposal of available-for-sale financial assets*	-	-	nm	492	-	nm

*Included in other gains and losses

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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 16	As at 30 Jun 16	As at 31 Dec 16	As at 30 Jun 16
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	27	34	-	-
Investment property	110,000	110,000	-	-
Interests in subsidiaries	-	-	-*	-*
	110,027	110,034	-	-
Current assets				
Cash and deposit balances	44,576	51,797	7,166	25,465
Financial assets at fair value through profit or loss	1,200	18,800	-	-
Available-for-sale financial assets	-	89,521	-	-
Amounts due from subsidiaries	-	-	132,116	168,881
Trade receivables	285	273	-	-
Other receivables	777	716	-	100
	46,838	161,107	139,282	194,446
Current liabilities				
Other payables	15,635	20,811	742	1,030
	15,635	20,811	742	1,030
Net current assets	31,203	140,296	138,540	193,416
Net assets	141,230	250,330	138,540	193,416
EQUITY				
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	165,664	274,764	162,974	217,850
Total equity	141,230	250,330	138,540	193,416

*Denotes a figures less than RMB 1,000.

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 2016 and 31 December 2016.

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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 2nd Quarter Ended 31 December

	<-----The Group----->			
	FY2017	FY2016	FY2017	FY2016
	2nd Qtr	2nd Qtr	1st Half	1st Half
	1 Oct 16 to	1 Oct 15 to	1 Jul 16 to	1 Jul 15 to
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flow from operating activities:				
Profit before income tax	1,482	5,835	2,341	7,700
Adjustments for:				
Interest income of bank deposits	(173)	(106)	(174)	(107)
Net fair value gain for financial assets at fair value through profit or loss	-	-	(152)	(44)
Depreciation of property, plant and equipment	2	11	6	21
Loss on disposal of property, plant and equipment	-	-	1	-
Exchange difference, net	(659)	(208)	(569)	2,017
Share of results of associates	-	(5,367)	-	(10,077)
Gain on disposal of available-for-sale financial assets	-	-	(492)	-
Operating cash flows before movements in working capital	652	165	961	(490)
Increase in trade receivables	-	-	(12)	-
(Decrease) / increase in other receivables and trade deposits paid to suppliers	(139)	47	(61)	(383)
Decrease in other payables and trade deposits received from customers	(2,204)	(793)	(1,655)	(910)
Net cash used in operating activities	(1,691)	(581)	(767)	(1,783)
Cash flow from investing activities:				
Interest income of bank deposits	173	106	174	107
Net fair value gain for financial assets at fair value through profit or loss	-	-	152	44
Purchase of property, plant and equipment	-	-	-	(16)
Redemption/ (acquisition) of financial assets at fair value through profit or loss	24,000	(8,810)	17,600	(2,710)
Proceeds from disposal of available-for-sale financial assets	-	-	84,429	-
Net cash generated from / (used in) investing activities	24,173	(8,704)	102,355	(2,575)

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	<-----The Group----->			
	FY2017 2 nd Qtr 1 Oct 16 to 31 Dec 16 RMB'000	FY2016 2 nd Qtr 1 Oct 15 to 31 Dec 15 RMB'000	FY2017 1 st Half 1 Jul 16 to 31 Dec 16 RMB'000	FY2016 1 st Half 1 Jul 15 to 31 Dec 15 RMB'000
Cash flow from financing activities:				
Dividends paid	(120,802)	-	(120,802)	-
Net cash used in financing activities	(120,802)	-	(120,802)	-
Net decrease in cash and cash equivalents	(98,320)	(9,285)	(19,214)	(4,358)
Cash and cash equivalents at the beginning of the financial period	131,150	44,088	51,797	39,505
Effect of foreign exchange rate changes, net	11,746	910	11,993	566
Cash and cash equivalents at the end of the financial period	44,576	35,713	44,576	35,713
Analysis of cash and cash equivalents				
Cash and bank balances	44,576	35,713	44,576	35,713
Fixed bank deposits with an original maturity of more than 3 months	-	432	-	432
Cash and deposit balances	44,576	36,145	44,576	36,145

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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
Balance at 1 Oct 2016	65,608	(90,042)	138,818	(73,042)	87,319	128,661
Profit for the period	-	-	-	-	1,482	1,482
Other comprehensive income						
-Currency translation						
-Group	-	-	-	11,087	-	11,087
Total comprehensive income for the period	-	-	-	11,087	1,482	12,569
Balance at 31 Dec 2016	65,608	(90,042)	138,818	(61,955)	88,801	141,230

	Share capital	Treasury shares	Share premium	Translation reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Oct 2015	65,608	(90,042)	138,818	(76,682)	202,816	240,518
Profit for the period	-	-	-	-	5,835	5,835
Other comprehensive income						
-Currency translation						
- Group	-	-	-	702	-	702
- Associates	-	-	-	1,048	-	1,048
Total comprehensive income for the period	-	-	-	1,750	5,835	7,585
Balance at 31 Dec 2015	65,608	(90,042)	138,818	(74,932)	208,651	248,103

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Statement of Changes in Equity for the Company

Company	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Translation reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 Oct 2016	65,608	(90,042)	138,818	(68,532)	87,898	133,750
Loss for the period	-	-	-	-	(412)	(412)
Other comprehensive income						
-Currency translation	-	-	-	5,202	-	5,202
Total comprehensive income for the period	-	-	-	5,202	(412)	4,790
Balance at 31 Dec 2016	65,608	(90,042)	138,818	(63,330)	87,486	138,540
Balance at 1 Oct 2015	65,608	(90,042)	138,818	(77,518)	141,740	178,606
Loss for the period	-	-	-	-	(537)	(537)
Other comprehensive income						
-Currency translation	-	-	-	3,712	-	3,712
Total comprehensive income for the period	-	-	-	3,712	(537)	3,175
Balance at 31 Dec 2015	65,608	(90,042)	138,818	(73,806)	141,203	181,781

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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 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 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 2016, the Company held 4,421,875 (31 December 2015: 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 2016.

- 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 16	As at 30 Jun 16
Issued shares	39,666,395	39,666,395
Less: Treasury shares	(4,421,875)	(4,421,875)
Total number of issued shares excluding treasury shares	35,244,520	35,244,520

- 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.

- 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.

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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 2016, the Group has adopted the same accounting policies and methods of computations as stated in the audited financial statements for the year ended 31 December 2016.

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----->			
	FY2017 2 nd Qtr RMB cents	FY2016 2 nd Qtr RMB cents	FY2017 1 st Half RMB cents	FY2016 1 st Half RMB cents
Earnings per share	4.20	16.56	6.64	21.85
Weighted average number of shares	35,244,520	35,244,520*	35,244,520	35,244,520*

**The weighted average number of ordinary shares of both periods for the purpose of basic and diluted earnings per share have been adjusted for the issue of shares during the periods then ended and consolidation of share being completed on 5 November 2015 as if the consolidation was effective from the beginning of the year ended 30 June 2016.*

Diluted earnings per share for the three months ended 31 December 2016 and 2015 are the same as the basic earnings per share, as the Group has no dilutive potential during both periods.

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 16 RMB cents	As at 30 Jun 16 RMB cents	As at 31 Dec 16 RMB cents	As at 30 Jun 16 RMB cents
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of period	400.71	710.27	393.08	548.78
Number of shares (excluding treasury shares)	35,244,520	35,244,520	35,244,520	35,244,520

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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 to RMB2.9 million in Q2 FY17 compared to RMB2.7 million in Q2 FY16. The increase in rental income was mainly due to increase in average rental rate upon renewal of expired lease agreements.

Gross profit and gross profit margin

Gross profit was RMB2.3 million in Q2 FY17 compared to RMB2.1 million in Q2 FY16. Correspondingly, gross profit margin for Q2 FY17 was 81% an increase from 77% in Q2 FY16. The increase in gross profit was mainly due to increase in average rental rate upon renewal of expired lease agreements.

Administrative expenses

Administrative expenses decreased from RMB2.4 million in Q2 FY16 to RMB2.1 million in Q2 FY17 mainly due to decrease in management cost for the investment property in Xi'an.

Other gains and losses

Other gains increased from RMB0.7 million in Q2 FY16 to RMB1.3 million in Q2 FY17 mainly due to the unrealised exchange gains arise from depreciation of RMB and the penalty from certain tenants in Q2 FY17. Other losses in 1st half FY16 mainly because the depreciation of Singapore dollars against RMB in Q1 FY16.

Balance Sheets

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 RMB51.8 million as at 30 June 2016 to RMB44.6million as at 31 December 2016 mainly due to the net effect of payment of dividend of RMB120.8million, receipt of proceeds from disposal of available-for-sale financial assets of RMB84.4million, and redemption of financial assets of RMB17.6million.

Other payables

This mainly relates to the payables to constructors for the Xi'an investment property.

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Cash Flow

For Q2 FY17, the Group recorded net cash used in operating activities of RMB1.7 million.

For Q2 FY17, the Group redeemed financial assets of RMB24 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.

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.

Following the completion of the disposal of Mentech Investment Limited on 27 September 2016, the asset of the Group consists only of the investment property in Xi'an and the main source of revenue is rental income from the investment property. The business of the Group will be affected by property leasing environment in the PRC.

Going forward, save as disclosed above, the Board will also consider all available options to the Company which are in the interests of the shareholders. Shareholders will be informed in due course once a definitive decision has been made.

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.

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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Note: At the special general meeting held on 26 September 2016, shareholder's approval had been obtained on the disposal of 21.89% of issued and paid-up share capital of Mentech Investment Limited and the payment of the special dividend.

The special dividend of S\$0.70 per share has been paid on 14 October 2016.

(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.

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 quarter ended 31 December 2016, 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

Dr Du Junhong
Executive Chairman

13 February 2017