LTC CORPORATION LIMITED
(formerly known as LION TECK CHIANG LIMITED)
Company Registration No : 196400176K

First Quarter Financial Statement for the Period Ending 30/09/2014.

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 3 months ended 30/09/2014 $'000	30/09/2013 $'000	+/- %
Revenues	33,821	41,059	(17.6)
Cost of sales	(30,678)	(33,605)	(8.7)
Gross profit	3,143	7,454	(57.8)
Other income	261	310	(15.8)
Selling and distribution expenses	(180)	(231)	(22.1)
Administrative expenses	(1,830)	(1,441)	27.0
Other operating expenses	44	755	(94.2)
Share of results of associated company	297	36	725.0
Operating profit	1,735	6,883	(74.8)
Finance costs	(298)	(143)	108.4
Profit before taxation	1,437	6,740	(78.7)
Taxation	(216)	(1,015)	(78.7)
Profit for the financial year	1,221	5,725	(78.7)
Other comprehensive income			
Items that will not be reclassified to profit and loss:	-	-	NM
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on consolidation	(3)	(2,650)	(99.9)
Share of other comprehensive income of associated company	704	(50)	NM
	701	(2,700)	NM
Other comprehensive income, net of tax	701	(2,700)	NM
Total comprehensive income for the financial year	1,922	3,025	(36.5)
Profit for the year attributable to:			
Owners of the Company	1,313	4,030	(67.4)
Non-controlling interests	(92)	1,695	NM
	1,221	5,725	(78.7)
Total comprehensive income attributable to:			
Owners of the Company	2,014	1,330	51.4
Non-controlling interests	(92)	1,695	NM
	1,922	3,025	(36.5)

Included in the above are the following items:	30/09/14 $'000	30/09/13 $'000	+/- %
Depreciation of property, plant & equipment	500	378	32.3
Foreign exchange gain	44	755	(94.2)
Provision for onerous contracts	62	-	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	
	30/09/2014	30/06/2014	30/09/2014	30/06/2014
	$'000	$'000	$'000	$'000
Non-current assets				
Investment properties	117,100	117,100	-	-
Property, plant and equipment	20,951	17,842	-	-
Subsidiary companies	-	-	182,533	181,077
Associated company	17,914	16,913	-	-
Long-term investments	3,730	3,730	380	380
Properties under development	14,196	13,868	-	-
Deferred tax assets	1,050	1,050	-	-
	174,941	170,503	182,913	181,457
Current assets				
Non-current assets held for sale	2,066	1,492	-	-
Completed properties held for sale	61,723	61,873	-	-
Inventories	35,035	44,122	-	-
Prepayments	59	96	2	2
Trade debtors	27,374	24,453	-	-
Other debtors	2,133	2,204	-	66
Due from subsidiary company	-	-	3	1,500
Due from related parties	862	862	-	-
Fixed deposits	6,125	7,788	-	-
Cash and bank balances	27,744	31,215	49	46
	163,121	174,105	54	1,614
Current liabilities				
Provisions	62	-	-	-
Trade creditors	30,211	33,704		
Other creditors	5,166	5,494	248	247
Due to related parties	3,222	5,436	15	10
Interest-bearing loans and borrowings	45	16,750	-	-
Provision for taxation	2,819	2,482	-	-
	41,525	63,866	263	257
Net current assets	121,596	110,239	(209)	1,357
Non-current liabilities				
Trade creditors	603	554	-	-
Due to subsidiary companies	-	-	25,746	25,746
Interest-bearing loans and borrowings	18,616	4,792	-	-
Deferred tax liabilities	1,914	1,914	-	-
	21,133	7,260	25,746	25,746
	275,404	273,482	156,958	157,068
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	(20,746)	(21,447)	-	-
Accumulated profits	111,314	110,001	6,845	6,955
	243,278	241,264	156,958	157,068
Non-controlling interests	32,126	32,218	-	-
	275,404	273,482	156,958	157,068

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

Amount repayable in one year or less, or on demand

As at 30/09/2014		As at 30/06/2014	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
45	-	16,750	-

Amount repayable after one year

As at 30/09/2014		As at 30/06/2014	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
18,616	-	4,792	-

Details of any collateral

	Group		
	30/06/2014	30/06/2014	
Interest-bearing loans and borrowings	$'000	$'000	
Short-term			Note
Revolving credit facility	-	16,705	2
Lease liabilities	45	45	3
	45	16,750	
Long-term			
Revolving credit facility	13,835	-	1
Bank loans	4,725	4,725	2
Lease liabilities	56	67	3
	18,616	4,792	

1) secured on investment properties 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	Group 3 months ended 30/09/2014 $'000	30/09/2013 $'000
Cash flows from operating activities		
Profit before tax	1,437	6,740
Adjustments for :		
Depreciation of property, plant and equipment	500	378
Finance costs	235	143
Interest income	(73)	(75)
Gain on disposal of property, plant and equipment	(87)	(12)
Gain on fair value changes on derivatives	(36)	110
Share of results of associated company	(297)	(36)
Currency realignment	(3)	(2,083)
Operating profit before reinvestment in working capital	1,676	5,165
Decrease in inventories	9,087	6,289
(Increase)/decrease in debtors and prepayments	(2,777)	1,045
Increase in provisions	62	-
Decrease in creditors	(3,772)	(7,200)
Increase in amounts due to related parties	(714)	(948)
Increase in amounts due from related parties	-	173
(Increase)/decrease in non-current asset held for sale	(574)	57
Increase in properties under development	(328)	(355)
Decrease in completed properties held for sale	150	819
Cash generated from operations	2,810	5,045
Interest paid	(235)	(143)
Income taxes received/(paid)	121	(1,490)
Net cash generated from operating activities	2,696	3,412
Cash flows from investing activities :		
Interest received	73	75
Proceeds from disposal of property, plant and equipment	156	35
Purchase of property, plant and equipment	(3,678)	(1,330)
Net cash used in investing activities	(3,449)	(1,220)
Cash flows from financing activities :		
Decrease in finance lease obligations	(11)	(11)
Repayment of short-term borrowings	-	(2,500)
(Repayment)/proceeds of long-term borrowings	(2,870)	837
Dividends paid to non-controlling interest of a subsidiary	(1,500)	(2,000)
Net cash used in financing activities	(4,381)	(3,674)
Net decrease in cash and cash equivalents	(5,134)	(1,482)
Effect of exchange rate changes on cash and cash equivalents	-	(567)
Cash and cash equivalents at beginning of financial year	39,003	28,202
Cash and cash equivalents at end of financial year	33,869	26,153

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 2014	150,113	2,597	(21,447)	110,001	-	241,264	32,218	273,482
Profit for the financial year	-	-	-	1,313	-	1,313	(92)	1,221
Other comprehensive income for the year	-	-	701	-	-	701	-	701
Total comprehensive income for the year	-	-	701	1,313	-	2,014	(92)	1,922
Balance as at 30 September 2014	150,113	2,597	(20,746)	111,314	-	243,278	32,126	275,404
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	-	-	-	4,030	-	4,030	1,695	5,725
Other comprehensive income for the year	-	-	(2,700)	-	-	(2,700)	-	(2,700)
Total comprehensive income for the year	-	-	(2,700)	4,030	-	1,330	1,695	3,025
Balance as at 30 September 2013	150,113	2,612	(21,797)	107,107	1,956	239,991	30,716	270,707

Company	Share Capital $'000	Accumulated Profits $'000	Dividend Reserve $'000	Total $'000
Balance as at 1 July 2014	150,113	6,955	-	157,068
Profit for the financial year	-	(110)	-	(110)
Total comprehensive income for the year	-	(110)	-	(110)
Balance as at 30 September 2014	150,113	6,845	-	156,958
Balance as at 1 July 2013	150,113	7,013	1,956	159,082
Profit for the financial year	-	832	-	832
Total comprehensive income for the year	-	832	-	832
Balance as at 30 September 2013	150,113	7,845	1,956	159,914

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 September 2014	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.

Changes in accounting policies (item 5)

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	
	30 September 2014	30 September 2013
Earnings per share - basic and diluted (cents)	0.84	2.58

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	
	30/09/2014	30/06/2014	30/09/2014	30/06/2014
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares (cents)	155.50	154.21	100.32	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.

Group turnover for Q1 decreased by 17.6% or $7.2m compared to the previous corresponding period. The decrease from $41.0m to $33.8m was due to lower turnover for steel.

Steel turnover decreased by $7.2m from $38.4m to $31.2m due to lower steel prices and tonnage delivered. Net operating profit for steel fell by $4.3m from $4.2m for the previous corresponding period to a loss of $0.1m.

Turnover for Property Development was unchanged at $0.3m but net operating profit declined by $0.2m to $0.1m.

Turnover for Property Rental improved $0.1m to $2.3m but operating profit remained unchanged at $1.7m.

Including the share of profits from an associate, operating profit for the Group decreased by $5.1m from $6.8m to $1.7m.

On the balance sheet, the increase in property, plant and equipment is due mainly to the acquisition of a factory for the steel business. During the quarter, 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 while the USD/SGD exchange rate remained unstable. The demand for steel from the local construction sector is expected to remain firm with support from public infrastructure projects. However, competition amongst steel suppliers is expected to remain stiff.

The residential property market in Singapore has continued to show price and transaction declines but the cooling measures are not expected to be eased soon.

In Malaysia, the Group's development of industrial park land is expected to receive sustained interest from foreign investors.

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? 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 30 September 2014	
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
Antara Steel Mills Sdn Bhd	-	5,962

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 Lion Teck Chiang Limited for the first quarter ended 30 September 2014, to be false or misleading.

BY ORDER OF THE BOARD

Silvester Bernard Grant
Company Secretary
7 November 2014