

LCT HOLDINGS LIMITED
(Formerly Known as Longcheer Holdings Limited)

Incorporated in Bermuda
 Company Registration No. 35673

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017

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 first quarter ended 30 September 2017. These figures have not been audited.

Income Statement For 1st Quarter

	<-----The Group----->		
	FY2018	FY2017	
	1st Qtr	1st Qtr	
	1 Jul 17 to	1 Jul 16 to	+ / (-)
	30 Sep 17	30 Sep 16	
	RMB'000	RMB'000	%
Revenue	2,868	3,529	-19
Cost of sales	(783)	(798)	-2
Gross profit	2,085	2,731	-24
Other gains and (losses)	16	574	-97
Administrative expenses	(1,723)	(2,446)	-30
Profit before income tax	378	859	-56
Income tax expense	(312)	-	nm
Profit for the period	66	859	-92
Profit for the period attributable to:			
Owners of the Company	66	859	-92
	66	859	-92

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Statement of Comprehensive Income

	<-----The Group----->		
	FY2018	FY2017	
	1st Qtr	1st Qtr	
	1 Jul 17 to	1 Jul 16 to	+/(-)
	30 Sep 17	30 Sep 16	
	RMB'000	RMB'000	%
Profit for the period	66	859	-92
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	-	805	nm
Currency translation			
- Group	(842)	248	nm
Reclassification adjustment			
- Disposal of available-for-sale financial assets	-	(2,662)	nm
Other comprehensive income for the period, net of tax amounting to nil	(842)	(1,609)	-48
Total comprehensive income for the period	(776)	(750)	3
Total comprehensive income attributable to:			
Owners of the Company	(776)	(750)	3
	(776)	(750)	3

nm: Not meaningful / material

Notes:

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

	<-----The Group----->		
	FY2018	FY2017	
	1st Qtr	1st Qtr	
	1 Jul 17 to	1 Jul 16 to	+/(-)
	30 Sep 17	30 Sep 16	
	RMB'000	RMB'000	%
(a) Bank interest income*	1	1	0
(b) Net fair value gain for financial assets at fair value through profit or loss*	26	152	-83
(c) Depreciation of property, plant and equipment	(2)	(4)	-50
(d) Loss on disposal of property, plant and equipment	(1)	(1)	0
(e) Exchange difference, net*	(10)	(90)	-89
(f) Gain on disposal of available-for-sale financial assets*	-	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	As at	As at	As at
	30 Sept 17	30 Jun 17	30 Sept 17	30 Jun 17
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	29	32	-	-
Investment property	110,000	110,000	-	-
Interests in subsidiaries	-	-	126,403	129,021
	110,029	110,032	126,403	129,021
Current assets				
Cash and bank balances	40,395	45,791	4,325	5,501
Financial assets at fair value through profit or loss	4,600	-	-	-
Other receivables	776	707	-	-
	45,771	46,498	4,325	5,501
Current liabilities				
Other payables	14,783	15,049	667	845
	14,783	15,049	667	845
Net current assets	30,988	31,449	3,658	4,656
Non-current liabilities				
Deferred tax liabilities	8,374	8,062	-	-
Net assets	132,643	133,419	130,061	133,677
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	157,077	157,853	154,495	158,111
Total equity	132,643	133,419	130,061	133,677

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 2017 and 30 September 2017.

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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 1st Quarter Ended 30 September

	<-----The Group----->	
	FY2018	FY2017
	1 st Qtr	1 st Qtr
	1 Jul 17 to	1 Jul 16 to
	30 Sep 17	30 Sep 16
	RMB'000	RMB'000
Cash flow from operating activities		
Profit before income tax	378	859
Adjustments for:		
Interest income of bank deposits	(1)	(1)
Net fair value gain for financial assets at fair value through profit or loss	(26)	(152)
Depreciation of property, plant and equipment	2	4
Loss on disposal of property, plant and equipment	1	1
Exchange difference, net	10	90
Gain on disposal of available-for-sale financial assets	-	(492)
Operating cash flows before movements in working capital	364	309
Increase in trade receivables	-	(12)
(Increase)/decrease in other receivables	(69)	78
(Decrease)/increase in other payables and trade deposits received from customers	(266)	549
Net cash generated from operating activities	29	924
Cash flow from investing activities		
Interest received	1	1
Interest received from financial assets at fair value through profit or loss	26	152
Acquisition of financial assets at fair value through profit or loss	(4,600)	(6,400)
Proceeds from disposal of available-for-sale financial assets	-	84,429
Net cash (used in)/generated from investing activities	(4,573)	78,182
Net (decrease)/increase in cash and cash equivalents	(4,544)	79,106
Cash and cash equivalents at the beginning of the financial period	45,791	51,797
Effect of foreign exchange rate changes, net	(852)	247
Cash and cash equivalents at the end of the financial period	40,395	131,150
Analysis of cash and cash equivalents		
Cash and bank balances	40,395	131,150

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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 RMB'000	Treasury shares RMB'000	Share premium RMB'000	Translation reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 Jul 2017	65,608	(90,042)	138,818	(61,223)	80,258	133,419
Profit for the period	-	-	-	-	66	66
Other comprehensive income						
-Currency translation						
- Group	-	-	-	(842)	-	(842)
Total comprehensive income for the period	-	-	-	(842)	66	(776)
Balance at 30 Sept 2017	65,608	(90,042)	138,818	(62,065)	80,324	132,643

	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Available-for-sale financial assets revaluation reserve RMB'000	Translation reserve RMB'000	Retained earnings RMB'000	Total RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Jul 2016	65,608	(90,042)	138,818	1,857	(73,290)	207,379	250,330
Dividends	-	-	-	-	-	(120,919)	(120,919)
Distributions to owners	-	-	-	-	-	(120,919)	(120,919)
Profit for the year	-	-	-	-	-	859	859
Other comprehensive income							
- Change in fair value on available-for-sale financial assets	-	-	-	805	-	-	805
- Currency translation							
- Group	-	-	-	-	248	-	248
-Reclassification adjustment							
- Disposal of available-for-sale financial assets	-	-	-	(2,662)	-	-	(2,662)
Total comprehensive income for the year	-	-	-	(1,857)	248	859	(750)
Balance at 30 Sept 2016	65,608	(90,042)	138,818	-	(73,042)	87,319	128,661

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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 Jul 2017	65,608	(90,042)	138,818	(66,548)	85,841	133,677
Loss for the period	-	-	-	-	(905)	(905)
Other comprehensive income						
-Currency translation	-	-	-	(2,711)	-	(2,711)
Total comprehensive income for the period	-	-	-	(2,711)	(905)	(3,616)
Balance at 30 Sept 2017	65,608	(90,042)	138,818	(69,259)	84,936	130,061
Balance at 1 Jul 2016	65,608	(90,042)	138,818	(69,946)	148,978	193,416
Dividends	-	-	-	-	(120,919)	(120,919)
Distributions to owners	-	-	-	-	(120,919)	(120,919)
Profit for the period	-	-	-	-	59,839	59,839
Other comprehensive income						
-Currency translation	-	-	-	1,414	-	1,414
Total comprehensive income for the period	-	-	-	1,414	59,839	61,253
Balance at 30 Sept 2016	65,608	(90,042)	138,818	(68,532)	87,898	133,750

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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 30 September 2017, the Company held 4,421,875 (30 September 2016: 4,421,875) treasury shares. There were no purchases, sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 30 September 2017.

- 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 30 Sept 17	As at 30 Jun 17
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 2017, 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 2017.

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----->	
	FY2018 1 st Qtr RMB cents	FY2017 1 st Qtr RMB cents
Earnings per share	0.19	2.44
Weighted average number of shares	35,244,520	35,244,520

Diluted earnings per share for the three months ended 30 September 2017 and 2016 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 30 Sept 17 RMB (cents)	As at 30 Jun 17 RMB (cents)	As at 30 Sept 17 RMB (cents)	As at 30 Jun 17 RMB (cents)
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of period	376.35	378.55	369.02	379.28
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 decreased from RMB3.5 million in Q1 FY17 to RMB2.9 million in Q1 FY18 . The decrease in rental income was mainly due to reduction of tenants.

Gross profit and gross profit margin

Gross profit was RMB2.1 million in Q1 FY18 compared to RMB2.7 million in Q1 FY17. Correspondingly, gross profit margin for Q1 FY18 was 73% a decrease from 77% in Q1 FY17. The decrease in gross profit was mainly due to reduction of tenants.

Administrative expenses

Administrative expenses decreased from RMB2.45 million in Q1 FY17 to RMB1.72 million in Q1 FY18 mainly due to decrease in professional fees.

Other gains and losses

Other gains and losses decreased from RMB0.6 million in Q1 FY17 to RMB0.016 million in Q1 FY18 mainly due to gain on disposal of available-for-sale financial assets of RMB0.5 million in Q1 FY17.

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 RMB45.8 million as at 30 June 2017 to RMB40.4 million as at 30 September 2017 mainly due to used RMB4.6 million for the acquisition of financial assets.

Other payables

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

Deferred tax liabilities

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

Cash Flow

For Q1 FY18, the Group recorded net cash generated from operating activities of RMB0.03 million.

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During the quarter, the Group used RMB4.6 million for the acquisition of financial assets .

- 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.**

Management will focus on improving the occupancy rate of the investment property located in Xi'an.

Going forward, 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?

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.

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 30 September 2017, 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

30 October 2017