

LCT HOLDINGS LIMITED

Incorporated in Bermuda
Company Registration No. 35673

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31MARCH2019

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 3rd quarter ended 31 March 2019. These figures have not been audited.

Income Statement For 3rd Quarter

	<-----The Group----->					
	FY2019 3 rd Qtr	FY2018 3 rd Qtr		FY2019 9 months	FY2018 9 months	
	1 Jan 19 to 31 Mar 19	1 Jan 18 to 31 Mar 18	+/(-)	1 Jul 18 to 31 Mar 19	1 Jul 17 to 31 Mar 18	+/(-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	3,223	3,256	(1)	9,724	9,119	7
Cost of sales	(734)	(795)	(8)	(2,051)	(2,278)	(10)
Gross profit	2,489	2,461	1	7,673	6,841	12
Other gains and losses	271	25	984	562	73	670
Administrative expenses	(2,381)	(1,643)	45	(5,839)	(5,654)	3
Profit before income tax	379	843	(55)	2,396	1,260	90
Income tax expense	(312)	(312)	-	(936)	(936)	-
Profit for the period	67	531	(87)	1,460	324	351
Profit for the period attributable to:						
Owners of the Company	67	531	(87)	1,460	324	351

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Statement of Comprehensive Income

	←-----The Group-----→					
	FY2019	FY2018		FY2019	FY2018	
	3 rd Qtr	3 rd Qtr		9 months	9 months	
	1 Jan 19 to	1 Jan 18 to		1 Jul 18 to	1 Jul 17 to	
	31 Mar 19	31 Mar 18	+/(−)	31 Mar 19	31 Mar 18	+/(−)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit for the period	67	531	(87)	1,460	324	351
Other comprehensive income, net of tax						
Items that may be reclassified						
subsequently to profit or loss:						
Currency translation						
- Group	(536)	(1,420)	(62)	520	(2,827)	nm
Other comprehensive income for the						
period, net of tax amounting to nil	(536)	(1,420)	(62)	520	(2,827)	nm
Total comprehensive income for the						
period	(469)	(889)	(47)	1,980	(2,503)	nm
Total comprehensive income						
attributable to:						
Owners of the Company	(469)	(889)	(47)	1,980	(2,503)	nm

nm: Not meaningful / material

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Notes:

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

	←-----The Group-----→					
	FY2019	FY2018		FY2019	FY2018	
	3rd Qtr	3rd Qtr		9 months	9 months	
	1 Jan 19 to	1 Jan 18 to	+/(-)	1 Jul 18 to	1 Jul 17 to	+/(-)
	31 Mar 19	31 Mar 18		31 Mar 19	31 Mar 18	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
(a) Bank interest income*	189	13	1,354	195	15	1,200
(b) Loan interest income*	131	-	nm	131	-	nm
(c) Net fair value gain for financial assets at fair value through profit or loss*	12	37	(68)	36	105	(66)
(d) Depreciation of property, plant and equipment	(15)	(2)	650	(89)	(6)	1,383
(e) Loss on disposal of property, plant and equipment*	(2)	(1)	100	(2)	(2)	nm
(f) Exchange difference, net*	(60)	(23)	161	50	(44)	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 Mar 19	As at 30 Jun 18	As at 31Mar 19	As at 30 Jun 18
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	667	671	-	-
Investment property	120,000	120,000	-	-
Intangible assets	43	-	-	-
Interests in subsidiaries	-	-	128,244	126,016
	120,710	120,671	128,244	126,016
Current assets				
Cash and bank balances	46,522	47,744	381	2,048
Financial assets at fair value through profit or loss	4,100	-	-	-
Trade receivables	14	-	-	-
Other receivables	758	592	55	-
	51,394	48,336	436	2,048
Current liabilities				
Other payables	16,061	15,881	2,185	686
Net current assets/(liabilities)	35,333	32,455	(1,749)	1,362
Non-current liabilities				
Deferred tax liabilities	12,749	11,813	-	-
Net assets	143,294	141,313	126,495	127,378
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	167,728	165,747	150,929	151,812
Total equity	143,294	141,313	126,495	127,378

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 2018 and 31 March 2019.

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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 3rd Quarter Ended 31 March 2019

	<-----The Group----->			
	FY2019 3 rd Qtr 1 Jan 19 to 31 Mar 19 RMB'000	FY2018 3 rd Qtr 1 Jan 18 to 31 Mar 18 RMB'000	FY2019 9 months 1 Jul 18 to 31 Mar 19 RMB'000	FY2018 9 months 1 Jul 17 to 31 Mar 18 RMB'000
Cash flow from operating activities:				
Profit before income tax	379	843	2,396	1,260
Adjustments for:				
Interest income of bank deposits	(189)	(13)	(195)	(15)
Loan interest income	(131)	-	(131)	-
Net fair value gain for financial assets at fair value through profit or loss	(12)	(37)	(36)	(105)
Depreciation of property, plant and Equipment	15	2	89	6
Amortisation of intangible assets	7	-	7	-
Loss on disposal of property, plant and equipment	2	1	2	2
Exchange difference, net	60	23	(50)	44
Operating cash flows before movements in working capital	131	819	2,082	1,192
Increase in trade receivables	(14)	-	(14)	-
Increase in other receivables and trade deposits paid to suppliers	(95)	(1,458)	(166)	(1,183)
Increase in other payables and Trade deposits received from customers	871	953	180	751
Net cash generated from operating activities	893	314	2,082	760
Cash flow from investing activities:				
Interest income of bank deposits	189	13	195	15
Loan interest income	131	-	131	-
Net fair value gain for financial assets at fair value through profit or loss	12	37	36	105
Purchase of property, plant and equipment	(87)	-	(87)	-
Purchase of intangible assets	-	-	(50)	-
Acquisition of financial assets at fair value through profit or loss	(1,900)	(1,800)	(4,100)	(8,300)
Repayment from independent third party	11,400	-	-	-
Net cash(used in)/ generated from investing activities	9,745	(1,750)	(3,875)	(8,180)

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	<-----The Group----->			
	FY2019	FY2018	FY2019	FY2018
	3rd Qtr	3rd Qtr	9 months	9 months
	1 Jan 19 to	1 Jan 18 to	1 Jul 18 to	1 Jul 17 to
	31 Mar 19	31 Mar 18	31 Mar 19	31 Mar 18
	RMB'000	RMB'000	RMB'000	RMB'000
Net decrease in cash and cash equivalents	10,638	(1,436)	(1,793)	(7,420)
Cash and cash equivalents at the beginning of the financial period	36,480	38,379	47,744	45,791
Effect of foreign exchange rate changes, net	(596)	(1,443)	571	(2,871)
Cash and cash equivalents at the end of the financial period	46,522	35,500	46,522	35,500
Analysis of cash and cash equivalents				
Cash and bank balances	46,522	35,500	46,522	35,500
Cash and deposit balances	46,522	35,500	46,522	35,500

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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 Jan 2019	65,608	(90,042)	138,818	(61,348)	90,727	143,763
Profit for the period	-	-	-	-	67	67
Other comprehensive income						
-Currency translation						
-Group	-	-	-	(536)	-	(536)
Total comprehensive income for the period	-	-	-	(536)	67	(469)
Balance at 31 Mar 2019	65,608	(90,042)	138,818	(61,884)	90,794	143,294

	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 Jan 2018	65,608	(90,042)	138,818	(62,630)	80,051	131,805
Profit for the period	-	-	-	-	531	531
Other comprehensive income						
-Currency translation						
- Group	-	-	-	(1,420)	-	(1,420)
Total comprehensive income for the period	-	-	-	(1,420)	531	(889)
Balance at 31 Mar 2018	65,608	(90,042)	138,818	(64,050)	80,582	130,916

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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 Jan 2019	65,608	(90,042)	138,818	(65,054)	80,979	130,309
Loss for the period	-	-	-	-	(1,352)	(1,352)
Other comprehensive income						
-Currency translation	-	-	-	(2,462)	-	(2,462)
Total comprehensive income for the period	-	-	-	(2,462)	(1,352)	(3,814)
Balance at 31 Mar 2019	65,608	(90,042)	138,818	(67,516)	79,627	126,495
Balance at 1 Jan 2018	65,608	(90,042)	138,818	(71,259)	83,334	126,459
Loss for the period	-	-	-	-	(736)	(736)
Other comprehensive income						
-Currency translation	-	-	-	(4,757)	-	(4,757)
Total comprehensive income for the period	-	-	-	(4,757)	(736)	(5,493)
Balance at 31 Mar 2018	65,608	(90,042)	138,818	(76,016)	82,598	120,966

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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 and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 March 2019, the Company held 4,421,875 (31 March 2018: 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 March 2019.

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 Mar19	As at 30 Jun 18
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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

During the quarter, no sales, transfers, cancellation and/or use of subsidiary holdings.

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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.

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 2018, 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 2018.

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----->			
	FY2019 3rd Qtr RMB cents	FY2018 3rd Qtr RMB cents	FY2019 9 months RMB cents	FY2018 9 months RMB cents
Earnings per share	0.19	1.51	4.14	0.92
Weighted average number of shares	35,244,520	35,244,520	35,244,520	35,244,520

Diluted earnings per share for the three months ended 31 March 2019 and 2018 are the same as the basic earnings per share, as the Group has no dilutive potential during both periods.

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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 31Mar19 RMB cents	As at 30 Jun 18 RMB cents	As at 31Mar19 RMB cents	As at 30 Jun 18 RMB cents
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of period	406.57	400.95	358.91	361.41
Number of shares (excluding treasury shares)	<u>35,244,520</u>	<u>35,244,520</u>	<u>35,244,520</u>	<u>35,244,520</u>

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 RMB3.3million in Q3 FY18 to RMB3.2 million in Q3 FY19 .The decrease in rental income is due to provide discounts for old customers.

Gross profit and gross profit margin

Gross profit was RMB2.49 million inQ3 FY19 compared to RMB2.46 million in Q3 FY18. Correspondingly, the gross profit margin of Q3 FY19 rose from 76% of Q3 FY18 to 77%. The increase in gross profit was mainly due to decrease in sales costs.

Administrative expenses

Administrative expenses increased from RMB1.64 million in Q3 FY18 to RMB2.38 million in Q3 FY19. The increase in administrative expenses is due to the payment of consultation fees and service fees to professional institutions for the development of new business.

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Other gains and losses

Other gains increased from RMB0.025 million in Q3 FY18 to RMB0.27 million in Q3 FY19 mainly due to increased interest on dollar savings in China and loan interest income from an independent third party.

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 RMB47.7 million as at 30 June 2018 to RMB46.5 million as at 31 March 2018 mainly due to purchase of bank financial products.

Other payables

This mainly relates to the deposit paid by Xi'an customers and accrued expenses.

Deferred tax liabilities

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

Cash Flow

For Q3 FY19, the Group recorded net cash generated from operating activities of RMB0.89million. For Q3 FY19, the Group recorded net cash generated from investing activities of RMB9.75 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.

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- 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.**

On 22 April 2019, the Company had entered into a letter of intent with Wu Lijun and Gao Xiaohan for the proposed acquisition of 80% of the entire registered capital of Shanghai Xiyun Information Technology Services Co., Ltd. (the “Proposed Acquisition”).

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?

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 and the reason(s) for the decision.

No dividend has been recommended. The board of directors chooses to retain capital for future investment opportunities and liquidity.

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 March 2019, to be false or misleading in any material aspect.

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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

14 May 2019