

**LTC CORPORATION LIMITED**  
**Company Registration No : 196400176K**

First Quarter Financial Statement for the Period Ending 30/09/2018.

**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 |          | +/-<br>% |
|  | 30/09/18       | 30/09/17 |          |
|  | \$'000         | \$'000   |          |
| Revenue  | 24,821         | 32,517   | (23.7)   |
| Cost of sales  | (21,154)       | (26,702) | (20.8)   |
| Gross profit   | 3,667          | 5,815    | (36.9)   |
| Other income   | 70             | 131      | (46.6)   |
| Selling and distribution expenses                              | (259)          | (139)    | 86.3     |
| Administrative expenses  | (2,199)        | (2,182)  | 0.8      |
| Other operating income/(expense)                               | 248            | (154)    | NM       |
| Share of results of joint venture companies                    | (388)          | (731)    | (46.9)   |
| Share of results of associated company                         | 111            | (38)     | NM       |
| Operating profit   | 1,250          | 2,702    | (53.7)   |
| Finance income   | 119            | 103      | 15.5     |
| Finance costs  | (142)          | (186)    | (23.7)   |
| Profit before taxation   | 1,227          | 2,619    | (53.2)   |
| Taxation   | (93)           | (550)    | (83.1)   |
| Profit for the financial period                                | 1,134          | 2,069    | (45.2)   |
| Items that may be reclassified subsequently to profit or loss: |                |          |          |
| Other capital reserve  | 63             | -        | NM       |
| Exchange differences on consolidation                          | (2,308)        | 349      | NM       |
| Share of other comprehensive income of associated company      | (216)          | 34       | NM       |
| Other comprehensive (expense)/income, net of tax               | (2,461)        | 383      | NM       |
| Total comprehensive (loss)/income for the financial period     | (1,327)        | 2,452    | NM       |
| Profit for the financial period attributable to:               |                |          |          |
| Owners of the Company  | 939            | 884      | 6.2      |
| Non-controlling interests                                      | 195            | 1,185    | (83.5)   |
|  | 1,134          | 2,069    | (45.2)   |
| Total comprehensive income attributable to:                    |                |          |          |
| Owners of the Company  | (1,520)        | 1,267    | NM       |
| Non-controlling interests                                      | 193            | 1,185    | (83.7)   |
|  | (1,327)        | 2,452    | NM       |
| Included in the above are the following charges/(credits):     | 30/09/18       | 30/09/17 | +/-      |
|  | \$'000         | \$'000   | %        |
| Foreign exchange (gain)/loss                                   | (248)          | 154      | NM       |
| Total other operating (income)/expense                         | (248)          | 154      | NM       |
| Depreciation of property, plant & equipment                    | 687            | 721      | (4.7)    |
| (Write-back)/provision for onerous contracts                   | (793)          | 297      | 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            |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 30/09/18<br>\$'000 | 30/06/18<br>\$'000 | 30/09/18<br>\$'000 | 30/06/18<br>\$'000 |
| <b>Non-current assets</b>                           |                    |                    |                    |                    |
| Investment properties                               | 118,000            | 118,000            | -                  | -                  |
| Property, plant and equipment                       | 25,166             | 25,856             | -                  | -                  |
| Subsidiary companies                                | -                  | -                  | 130,170            | 130,170            |
| Due from subsidiary companies                       | -                  | -                  | 45,618             | 45,835             |
| Joint venture companies                             | 35,361             | 36,631             | -                  | -                  |
| Associated company                                  | 6,260              | 6,861              | -                  | -                  |
| Long-term investments                               | 4,741              | 4,678              | 380                | 380                |
| Properties under development                        | 15,822             | 15,699             | -                  | -                  |
| Deferred tax assets                                 | 69                 | 71                 | -                  | -                  |
|   | <u>205,419</u>     | <u>207,796</u>     | <u>176,168</u>     | <u>176,385</u>     |
| <b>Current assets</b>                               |                    |                    |                    |                    |
| Completed properties held for sale                  | 13,549             | 13,878             | -                  | -                  |
| Inventories   | 36,843             | 45,046             | -                  | -                  |
| Prepayments   | 69                 | 92                 | 1                  | 1                  |
| Trade debtors                                       | 22,219             | 26,926             | -                  | -                  |
| Other debtors                                       | 1,464              | 364                | 4                  | -                  |
| Due from subsidiary company                         | -                  | -                  | 3                  | 3                  |
| Due from related parties                            | 123                | 107                | -                  | -                  |
| Tax recoverable                                     | 1,535              | 1,252              | -                  | -                  |
| Derivatives   | 195                | 128                | -                  | -                  |
| Fixed deposits                                      | 28,880             | 26,196             | 1,000              | 1,000              |
| Cash and bank balances                              | 13,186             | 15,123             | 55                 | 85                 |
|   | <u>118,063</u>     | <u>129,112</u>     | <u>1,063</u>       | <u>1,089</u>       |
| <b>Current liabilities</b>                          |                    |                    |                    |                    |
| Trade creditors                                     | 17,954             | 27,658             | -                  | -                  |
| Other creditors                                     | 2,099              | 3,710              | 265                | 310                |
| Due to related parties                              | 199                | 295                | 4                  | 10                 |
| Interest-bearing loans and borrowings               | 10                 | 15                 | -                  | -                  |
| Provisions  | 5                  | 803                | -                  | -                  |
| Provision for taxation                              | 2,486              | 2,240              | -                  | -                  |
|   | <u>22,753</u>      | <u>34,721</u>      | <u>269</u>         | <u>320</u>         |
| <b>Net current assets</b>                           | <b>95,310</b>      | <b>94,391</b>      | <b>794</b>         | <b>769</b>         |
| <b>Non-current liabilities</b>                      |                    |                    |                    |                    |
| Trade creditors                                     | 449                | 580                | -                  | -                  |
| Due to subsidiary companies                         | -                  | -                  | 21,727             | 22,254             |
| Deferred tax liabilities                            | 3,206              | 3,206              | -                  | -                  |
|   | <u>3,655</u>       | <u>3,786</u>       | <u>21,727</u>      | <u>22,254</u>      |
|   | <u>297,074</u>     | <u>298,401</u>     | <u>155,235</u>     | <u>154,900</u>     |
| <b>Equity attributable to owners of the Company</b> |                    |                    |                    |                    |
| Share capital                                       | 150,113            | 150,113            | 150,113            | 150,113            |
| Capital reserve                                     | 6,702              | 6,639              | -                  | -                  |
| Exchange translation reserve                        | (31,744)           | (29,222)           | -                  | -                  |
| Accumulated profits                                 | 134,025            | 133,086            | 5,122              | 4,787              |
|   | <u>259,096</u>     | <u>260,616</u>     | <u>155,235</u>     | <u>154,900</u>     |
| <b>Non-controlling interests</b>                    | <b>37,978</b>      | <b>37,785</b>      | <b>-</b>           | <b>-</b>           |
|   | <u>297,074</u>     | <u>298,401</u>     | <u>155,235</u>     | <u>154,900</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 30/09/2018 |           | As at 30/06/2018 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| \$'000           | \$'000    | \$'000           | \$'000    |
| 10               | -         | 15               | -         |

**Amount repayable after one year**

| As at 30/09/2018 |           | As at 30/06/2018 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| \$'000           | \$'000    | \$'000           | \$'000    |
| -                | -         | -                | -         |

**Details of any collateral**

|                                       | Group     |           |      |
|---------------------------------------|-----------|-----------|------|
| Interest-bearing loans and borrowings | 30/9/2018 | 30/6/2018 |      |
|                                       | \$'000    | \$'000    |      |
| Lease liabilities                     | 10        | 15        | Note |
|                                       | <u>10</u> | <u>15</u> |      |

Note : 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<br>30/09/18 | 30/09/17 |
|  | \$'000                     | \$'000   |
| Cash flows from operating activities                         |                            |          |
| Profit before tax  | 1,227                      | 2,619    |
| Adjustments for :  |                            |          |
| Depreciation of property, plant and equipment                | 687                        | 721      |
| (Write-back)/provision for onerous contracts                 | (793)                      | 297      |
| Interest income  | (119)                      | (103)    |
| Finance and related costs                                    | 142                        | 210      |
| (Gain)/loss on fair value changes on derivatives             | (67)                       | 78       |
| Share of results of joint ventures                           | 388                        | 731      |
| Share of results of associated company                       | (111)                      | 39       |
| Operating cash flows before changes in working capital       | 1,354                      | 4,592    |
| Decrease in inventories                                      | 10,485                     | 8,956    |
| Decrease/(increase) in debtors and prepayments               | 3,630                      | (7,272)  |
| Decrease in creditors  | (13,728)                   | (1,470)  |
| Increase in properties under development                     | (495)                      | (19)     |
| Currency realignment   | (466)                      | (33)     |
| Cash flows from operations                                   | 780                        | 4,754    |
| Interest paid  | (142)                      | (178)    |
| Income taxes paid  | (128)                      | (132)    |
| Net cash flows generated from operating activities           | 510                        | 4,444    |
| Cash flows from investing activities :                       |                            |          |
| Interest received  | 119                        | 103      |
| Investment in joint venture                                  | -                          | (10,928) |
| Capital expenditure on investment properties                 | -                          | (29)     |
| Purchase of property, plant and equipment                    | (2)                        | (8)      |
| Loan repayment from associated company                       | 496                        | -        |
| Net cash flows generated from/(used in) investing activities | 613                        | (10,862) |
| Cash flows from financing activities :                       |                            |          |
| Decrease in finance lease obligations                        | (5)                        | (1)      |
| Settlement of interest rate swap                             | -                          | (32)     |
| (Decrease)/increase in amounts due to related parties        | (96)                       | 56       |
| (Increase)/decrease in amounts due from related parties      | (16)                       | 635      |
| Dividends paid to non-controlling interest of a subsidiary   | -                          | (1,002)  |
| Net cash flows used in financing activities                  | (117)                      | (344)    |
| Net increase/(decrease) in cash and cash equivalents         | 1,006                      | (6,762)  |
| Effect of exchange rate changes on cash and cash equivalents | (259)                      | 72       |
| Cash and cash equivalents at beginning of financial year     | 41,319                     | 48,854   |
| Cash and cash equivalents at end of financial period         | 42,066                     | 42,164   |

**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<br>\$'000 | Capital Reserve<br>\$'000 | Exchange Translation Reserve<br>\$'000 | Accumulated Profits<br>\$'000 | Equity Attributable to Owners of the Company<br>\$'000 | Non-controlling Interests<br>\$'000 | Total<br>\$'000 |
|---|-------------------------|---------------------------|--|-------------------------------|--|-------------------------------------|-----------------|
| Balance as at 1 July 2018                                 | 150,113                 | 6,639                     | (29,222)                               | 133,086                       | 260,616  | 37,785                              | 298,401         |
| Profit for the financial period                           | -                       | -                         | -                                      | 939                           | 939  | 195                                 | 1,134           |
| Other comprehensive income for the period                 |                         |                           |  |                               |  |                                     |                 |
| Exchange differences on consolidation                     | -                       | 63                        | (2,306)                                | -                             | (2,243)  | (2)                                 | (2,245)         |
| Share of other comprehensive income of associated company | -                       | -                         | (216)                                  | -                             | (216)  | -                                   | (216)           |
| Total comprehensive income/(loss) for the period          | -                       | 63                        | (2,522)                                | 939                           | (1,520)  | 193                                 | (1,327)         |
| Balance as at 30 September 2018                           | 150,113                 | 6,702                     | (31,744)                               | 134,025                       | 259,096  | 37,978                              | 297,074         |

| Group   | Share Capital<br>\$'000 | Capital Reserve<br>\$'000 | Exchange Translation Reserve<br>\$'000 | Accumulated Profits<br>\$'000 | Equity Attributable to Owners of the Company<br>\$'000 | Non-controlling Interests<br>\$'000 | Total<br>\$'000 |
|---|-------------------------|---------------------------|--|-------------------------------|--|-------------------------------------|-----------------|
| Balance as at 1 July 2017                                 | 150,113                 | 6,354                     | (34,253)                               | 132,317                       | 254,531  | 35,073                              | 289,604         |
| Profit for the financial period                           | -                       | -                         | -                                      | 884                           | 884  | 1,185                               | 2,069           |
| Other comprehensive income for the period                 |                         |                           |  |                               |  |                                     |                 |
| Exchange differences on consolidation                     | -                       | -                         | 349                                    | -                             | 349  | -                                   | 349             |
| Share of other comprehensive income of associated company | -                       | -                         | 34                                     | -                             | 34   | -                                   | 34              |
| Total comprehensive income for the period                 | -                       | -                         | 383                                    | 884                           | 1,267  | 1,185                               | 2,452           |
| Balance as at 30 September 2017                           | 150,113                 | 6,354                     | (33,870)                               | 133,201                       | 255,798  | 36,258                              | 292,056         |

| Company                                   | Share Capital<br>\$'000 | Accumulated Profits<br>\$'000 | Total<br>\$'000 |
|---|-------------------------|-------------------------------|-----------------|
| Balance as at 1 July 2018                 | 150,113                 | 4,787                         | 154,900         |
| Profit for the financial period           | -                       | 335                           | 335             |
| Total comprehensive income for the period | -                       | 335                           | 335             |
| Balance as at 30 September 2018           | 150,113                 | 5,122                         | 155,235         |

| Company                                 | Share Capital<br>\$'000 | Accumulated Profits<br>\$'000 | Total<br>\$'000 |
|---|-------------------------|-------------------------------|-----------------|
| Balance as at 1 July 2017               | 150,113                 | 8,596                         | 158,709         |
| Loss for the financial period           | -                       | (230)                         | (230)           |
| Total comprehensive loss for the period | -                       | (230)                         | (230)           |
| Balance as at 30 September 2017         | 150,113                 | 8,366                         | 158,479         |

- 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 2018 | 30 June 2018 |
|---|-------------------|--------------|
| 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 FY2019.

- 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 2018 | 30 September 2017 |
| Earnings per share - basic and diluted (cents) | 0.60              | 0.57              |

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    |            |
|---|------------|------------|------------|------------|
|   | 30/09/2018 | 30/06/2018 | 30/09/2018 | 30/06/2018 |
| Net asset value per ordinary share based on the total number of issued shares excluding treasury shares (cents) | 165.61     | 166.58     | 99.22      | 99.01      |

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 of FY19 decreased 23.7% or \$7.7m to \$24.8m from \$32.5m for FY18 due to lower turnover for the steel business.

Steel turnover decreased by \$7.7m from \$30.6m to \$22.9m due to lower turnover in Singapore. Operating profit decreased by \$2.4m from \$2.9m to \$0.5m with profits in Singapore sharply lower due to lower margins and tonnage delivered. During the previous corresponding quarter, profit margins were boosted by a significant increase in the steel price index used for fluctuating price contracts.

No turnover was recorded for property development for the quarter and the previous corresponding quarter. Including the share of results of joint venture and associated companies in property development, net operating loss for property development decreased by \$0.1m from \$0.5m to \$0.4m.

Property rental turnover and operating profit remained unchanged at \$1.8m and \$1.2m respectively.

Including the results of investment holding and the share of results of the joint venture in retail operations, net operating profit for the Group decreased by \$1.4m from \$2.7m to \$1.3m.

On the balance sheet, the decreases in trade debtors, inventories and trade creditors are mainly due to the lower turnover for the steel business.

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.**

International prices of steel rebar remain high while the USD/SGD exchange rate is unstable. Construction demand may continue to be more dependent on the public sector. In Malaysia, the risk of increasing steel prices poses a challenge as supply contracts are mostly fixed-priced.

Turnover from property development in Malaysia will continue to be irregular as the key contribution will be from the industrial park development. In Singapore, the Group will continue to seek opportunities to acquire development property.

Rental rates and occupancy for the investment properties in Singapore are expected to remain stable during the year.

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. Interested Persons Transactions**

The Company does not have a shareholder's mandate for interested person transactions.

**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 first quarter ended 30 September 2018, to be false or misleading.

**15. Confirmation Pursuant to Rule 720(1) of the SGX Listing Manual**

The Company confirms that undertakings pursuant to Rule 720(1) of the SGX Listing Manual have been obtained from all its Directors and executive officers in the format set out in Appendix 7.7.

**BY ORDER OF THE BOARD**

Silvester Bernard Grant  
Company Secretary  
14 November 2018