


LION ASIAPAC LIMITED

 (Co. Reg. No. 196800586R)
 (Incorporated in the Republic of Singapore)

**Third-Quarter and Nine-Month Unaudited Financial Statement Announcement
 For The Period Ended 31 March 2016**

1(a)(i) **An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated Income Statement

	The Group					
	Third Quarter Ended			Nine Months Ended		
	31.3.2016	31.3.2015	+ / (-)	31.3.2016	31.3.2015	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	2,136	9,240	(77)	8,988	23,362	(62)
Other gains – net	549	450	22	2,194	1,991	10
Expenses:						
Purchases of inventories	(1,467)	(7,316)	(80)	(6,160)	(16,991)	(64)
Employee compensation	(411)	(578)	(29)	(1,326)	(1,664)	(20)
Depreciation of property, plant and equipment	(335)	(599)	(44)	(990)	(1,843)	(46)
Finance expenses	--	--	--	--	(1)	n/m
Other operating expenses	(660)	(991)	(33)	(2,523)	(3,621)	(30)
Changes in inventories	95	178	(47)	318	(211)	n/m
Total expenses	(2,778)	(9,306)	(70)	(10,681)	(24,331)	(56)
(Loss)/profit before income tax	(93)	384	n/m	501	1,022	(51)
Income tax (expense)/credit	(274)	53	n/m	(28)	14	n/m
Total (loss)/profit	(367)	437	n/m	473	1,036	(54)
(Loss)/profit attributable to:						
Equity holders of the Company	(368)	436	n/m	474	1,035	(54)
Non-controlling interests	1	1	--	(1)	1	n/m
	(367)	437	n/m	473	1,036	(54)

n/m - denotes not meaningful

1(a)(ii) **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

	The Group					
	Third Quarter Ended			Nine Months Ended		
	31.3.2016	31.3.2015	+ / (-)	31.3.2016	31.3.2015	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total (loss)/ profit	(367)	437	n/m	473	1,036	(54)
Other comprehensive (loss)/income:						
Available-for-sale financial assets						
- fair value gain/(loss)	49	(11)	n/m	(33)	(172)	(81)
- currency translation arising from consolidation	15	2,099	(99)	(1,923)	4,443	n/m
Other comprehensive income/(loss), net of tax	64	2,088	(97)	(1,956)	4,271	n/m
Total comprehensive (loss)/income	(303)	2,525	n/m	(1,483)	5,307	n/m
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(304)	2,524	n/m	(1,482)	5,306	n/m
Non-controlling interests	1	1	--	(1)	1	n/m
	(303)	2,525	n/m	(1,483)	5,307	n/m

n/m - denotes not meaningful

1(a)(iii) **Additional disclosures**

	The Group			
	Third Quarter Ended		Nine Months Ended	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before income tax is arrived after (charging)/crediting:				
Currency exchange (losses)/gains - net	(84)	160	(219)	370
Depreciation	(335)	(599)	(990)	(1,843)
Insurance	(34)	(44)	(95)	(123)
Listing expenses	(12)	(12)	(50)	(59)
Maintenance expenses	(40)	(80)	(159)	(167)
Material handling	(29)	(83)	(128)	(252)
Professional fee	(62)	(57)	(86)	(80)
Rental on operating lease	(22)	(107)	(299)	(299)
Transportation	(155)	(447)	(769)	(1,180)
Utilities	(168)	(285)	(720)	(870)
Interest income:				
- bank deposits	129	92	600	407
- charged to related parties	111	44	308	198
Shortfall claims on minimum purchases from related parties	383	71	1,497	908

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.

Balance Sheets

	The Group		The Company	
	31.3.2016	30.6.2015	31.3.2016	30.6.2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	51,036	51,817	498	418
Trade and other receivables	6,683	8,294	69,374	69,435
Inventories	6,262	6,701	--	--
Income tax receivables	41	155	52	155
Other current assets	252	531	13	3
	64,274	67,498	69,937	70,011
Non-current assets				
Available-for-sale financial assets	278	317	--	--
Development property for sale	37,555	38,667	--	--
Investments in subsidiaries	--	--	502	896
Property, plant and equipment	9,508	10,890	347	441
	47,341	49,874	849	1,337
Total assets	111,615	117,372	70,786	71,348
LIABILITIES				
Current liabilities				
Trade and other payables	1,905	3,423	1,093	1,164
Finance lease payables	60	60	60	60
Provision	37,171	38,594	--	--
	39,136	42,077	1,153	1,224
Non-current liabilities				
Finance lease payables	578	877	223	223
Deferred income tax liabilities	105	150	105	150
	683	1,027	328	373
Total liabilities	39,819	43,104	1,481	1,597
NET ASSETS	71,796	74,268	69,305	69,751
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	47,494	47,494	47,494	47,494
Other reserves	(3,760)	(1,804)	--	--
Retained profits	27,928	27,860	21,811	22,257
	71,662	73,550	69,305	69,751
Non-controlling interests	134	718	--	--
TOTAL EQUITY	71,796	74,268	69,305	69,751

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

Amount repayable in one year or less, or on demand

The Group			
31.3.2016		30.6.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60	--	60	--

Amount repayable after one year

The Group			
31.3.2016		30.6.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
105	--	150	--

Details of any collateral

	The Group	
	31.3.2016	30.6.2015
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand Finance lease payables	60	60
Amount repayable after one year Finance lease payables	105	150

As at 31 March 2016, the Group's finance lease liabilities of S\$165,000 (30 June 2015: S\$210,000) are secured by the rights to a motor vehicle, which will revert to the lessor in the event of default by the Group.

- 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 Flows

	The Group			
	Third Quarter Ended		Nine Months Ended	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total (loss)/profit	(367)	437	473	1,036
Adjustments for				
- Income tax expenses/(credit)	274	(53)	28	(14)
- Depreciation	335	599	990	1,843
- Finance expenses	--	--	--	1
- Interest income	(240)	(136)	(908)	(605)
- Fixed assets written off	--	--	20	--
- Loss on disposal of property, plant and equipment	--	--	15	--
- Unrealised currency translation (gains)/losses	(488)	2,414	(409)	5,575
	(486)	3,261	209	7,836
Changes in working capital				
- Trade and other receivables	833	(1,136)	1,538	169
- Inventories	846	(199)	657	(224)
- Other current assets	210	17	264	101
- Development property for sale	(17)	(1,685)	(326)	(4,258)
- Trade and other payables	(1,017)	(667)	(1,467)	(2,773)
Cash generated from/(used in) operations	369	(409)	875	851
Income tax refund/(paid)	99	(606)	(189)	(606)
Net cash generated from/(used in) operating activities	468	(1,015)	686	245
Cash flows from investing activities				
Distribution to non-controlling interests arising from reduction of capital of a subsidiary	--	--	(583)	--
Purchases of property, plant and equipment	(107)	(105)	(185)	(125)
Interest received	240	136	908	605
Net cash generated from investing activities	133	31	140	480
Cash flows from financing activities				
Finance lease repayments	(15)	(15)	(45)	(45)
Interest paid	--	--	--	(1)
Dividends paid to equity holders of the Company	--	--	(406)	(406)
Net cash used in financing activities	(15)	(15)	(451)	(452)
Net increase/(decrease) in cash and cash equivalents	586	(999)	375	273
Cash and cash equivalents at beginning of financial period	51,393	51,794	51,817	48,971
Effects of currency translation on cash and cash equivalents	(943)	1,142	(1,156)	2,693
Cash and cash equivalents at end of financial period	51,036	51,937	51,036	51,937

1(c) (cont'd)

For the purposes of the consolidated cash flow statement, consolidated cash and cash equivalents comprise the following:

	The Group			
	Third Quarter Ended		Nine Months Ended	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	5,139	4,938	5,139	4,938
Short-term bank deposits	45,897	46,999	45,897	46,999
	51,036	51,937	51,036	51,937

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 – The Company

	Share capital	Retained profits	Total
	S\$'000	S\$'000	S\$'000
Balance at 1.7.2015	47,494	22,257	69,751
Total comprehensive income for the period	--	876	876
Dividends	--	(406)	(406)
Balance at 31.12.2015	47,494	22,727	70,221
Total comprehensive loss for the period	--	(916)	(916)
Balance at 31.3.2016	47,494	21,811	69,305
Balance at 1.7.2014	47,494	61,043	108,537
Total comprehensive income for the period	--	867	867
Dividends	--	(406)	(406)
Balance at 31.12.2014	47,494	61,504	108,998
Total comprehensive income for the period	--	945	945
Balance at 31.3.2015	47,494	62,449	109,943

1(d)(i) (cont'd)

Consolidated Statement of Changes in Equity – The Group

	Share Capital	Capital Redemption Reserve	Statutory Reserve	Currency Translation Reserve	Capital Reserve	Fair Value Reserve	Retained Profits	Total	Non-Controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.7.2015	47,494	105	180	(4,201)	2,112	--	27,860	73,550	718	74,268
Total comprehensive (loss)/ income for the period	--	--	--	(1,938)	--	(82)	842	(1,178)	(2)	(1,180)
Distributions from cancellation of shares by a subsidiary	--	--	--	--	--	--	--	--	(583)	(583)
Dividend paid	--	--	--	--	--	--	(406)	(406)	--	(406)
Balance at 31.12.2015	47,494	105	180	(6,139)	2,112	(82)	28,296	71,966	133	72,099
Total comprehensive income/ (loss) for the period	--	--	--	15	--	49	(368)	(304)	1	(303)
Balance at 31.3.2016	47,494	105	180	(6,124)	2,112	(33)	27,928	71,662	134	71,796
Balance at 1.7.2014	47,494	105	--	(6,016)	2,112	--	75,821	119,516	711	120,227
Total comprehensive (loss)/ income for the period	--	--	--	2,344	--	(161)	599	2,782	--	2,782
Dividends paid	--	--	--	--	--	--	(406)	(406)	--	(406)
Balance at 31.12.2014	47,494	105	--	(3,672)	2,112	(161)	76,014	121,892	711	122,603
Total comprehensive income/ (loss) for the period	--	--	--	2,099	--	(11)	436	2,524	1	2,525
Balance at 31.3.2015	47,494	105	--	(1,573)	2,112	(172)	76,450	124,416	712	125,128

- 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.

	31.3.2016	31.3.2015
	No. of Shares	No. of Shares
Issued Share Capital (<i>Note A</i>)	81,104,539	81,104,539
Treasury Shares held	--	--
Shares to be issued pursuant to the exercise of all the outstanding convertibles (<i>Note B</i>)	--	--

Note A

	No. of Shares
Balance at 31/12/2015	81,104,539
Movement in share capital	--
Balance at 31/3/2016	81,104,539

Note B

There were no unissued ordinary shares for the financial periods ended 31 March 2016 and 31 March 2015.

- 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.

	31.3.2016	30.6.2015
Total number of issued shares excluding treasury shares	81,104,539	81,104,539

- 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.

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 nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 as disclosed in Note 5 below, the Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the most recent audited financial statements for the year ended 30 June 2015.

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 adopted all applicable new and revised FRS that becomes effective during the new financial year and has no significant impact to the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(Losses)/earnings per ordinary share of the Group for the financial period based on net (loss)/profit attributable to shareholders:

		The Group			
		Third Quarter Ended		Nine Months Ended	
		31.3.2016	31.3.2015	31.3.2016	31.3.2015
a)	Based on weighted average number of shares (cents)	(0.45)	0.54	0.58	1.28
	Weighted average number of shares ('000 shares)	81,105	81,105	81,105	81,105
b)	On a fully diluted basis (cents)	(0.45)	0.54	0.58	1.28
	Weighted average number of shares ('000 shares)	81,105	81,105	81,105	81,105

(Losses)/earnings per ordinary share is computed based on the weighted average number of issued shares of 81,104,539 (31.3.2015: 81,104,539).

On a fully diluted basis, there were no outstanding convertibles during the financial periods ended 31 March 2015 and 31 March 2016.

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 period reported on and (b) immediately preceding financial year.

Net Asset Value per ordinary share

	The Group		The Company	
	31.3.2016	30.6.2015	31.3.2016	30.6.2015
	Cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	88.36	91.57	85.45	86.00

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.**

Turnover

During the third quarter ended 31 March 2016, the Group recorded a 77% reduction in turnover to S\$2.1 million, from S\$9.2 million in the last corresponding quarter. This was mainly attributable to a 64% drop in the sales of lime products ("lime") from S\$5.9 million to S\$2.1 million, which was impacted by deteriorating market conditions fraught with falling demand and excessive supply. Likewise for the trading of steel consumables ("consumables"), which did not generate any sales during this quarter.

During the nine months ended 31 March 2016, turnover of the Group declined by 62% from S\$23.4 million to S\$9.0 million, with lime revenue falling from S\$17.2 million to S\$9.0 million, and with no contribution from consumables.

Earnings from business operations

The Group's business operations incurred a loss of S\$0.1 million during this third quarter, comprising a loss of S\$30,000 in lime business as production overheads remained high despite a drop in production volume, as well as expenditure from the consumables and property development of S\$70,000 and S\$30,000 respectively.

On a nine-month basis, earnings from business operations reduced from S\$1.7 million to S\$0.9 million, as lime earnings fell from S\$2.2 million to S\$1.2 million, with expenditure from consumables and property development amounted to S\$0.2 million and S\$0.1 million respectively.

Net Earnings

In view of the above, the Group incurred a loss before tax of S\$93,000 during this third quarter, despite a 70% reduction in total expenses to S\$2.8 million, which resulted mostly from decreases in purchases of inventories, and depreciation on plant and equipment that had been impaired at the end of last financial year.

After providing for an income tax expense of S\$0.3 million that relates to temporary exchange gains arising from a stronger Malaysian Ringgit, net loss amounted to S\$0.4 million. In contrast, the Group reported net earnings of S\$0.4 million in the last corresponding quarter.

On a nine-month year basis, the Group's net earnings decreased from S\$1.0 million to S\$0.5 million.

Financial Position

The Group's working capital stood at S\$24.9 million as at 31 March 2016, which remained largely unchanged from 30 June 2015. Cash balance of the Group amounted to S\$51.8 million as at 31 March 2016, mainly contributed by S\$0.7 million generated from operating activities during these nine months, and S\$0.9 million in interest received, whereas S\$0.4 million was paid as dividend, S\$0.6 million was paid under the capital reduction exercise of a subsidiary, and also S\$1.1 million was adjusted for currency translation loss.

Trade and other payables of the Group decreased from S\$3.4 million as at 30 June 2015, to S\$1.9 million as at 31 March 2016, mainly due to payments made for purchases of inventories and other operating expenses. Trade and other receivables went down from S\$8.3 million to S\$6.7 million, and inventories reduced from S\$6.7 million to S\$6.3 million. Available-for-sale financial assets hovered at S\$0.3 million.

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.

Market adversities continue to impinge on the Group's core businesses and the Group is exploring ways to address this situation, including but not limited to establishing new markets and products. In the meantime, continuing efforts are being made for the divestment of the Group's interest in the development project in China.

11. Dividend

(a) Current financial period reported on

None.

(b) 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 interim dividend has been declared for the quarter ended 31 March 2016.

13. Interested Person Transactions (“IPTs”)

For the financial period ended 31.3.2016		
Name of Interested Person	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under IPT Mandate Pursuant to Rule 920)	Aggregate value of all IPTs conducted under IPT Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Amsteel Mills Sdn Bhd	--	2,650
Antara Steel Mills Sdn Bhd	--	297
Megasteel Sdn Bhd	--	1,327

14. Confirmation by Directors Pursuant to Rule 705(5) of the SGX Listing Manual

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 Asiapac Limited for the third quarter and nine months ended 31 March 2016, to be false or misleading in any material aspects.

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
LION ASIAPAC LIMITED**

Tan Yen Hui
Company Secretary

Singapore, 12 May 2016