



LION ASIAPAC LIMITED

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

**Second Quarter and Half Year Unaudited Financial Statement Announcement
For The Period Ended 31 December 2013**

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					
	Second Quarter Ended			Half Year Ended		
	31.12.2013	31.12.2012	+ / (-)	31.12.2013	31.12.2012	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	9,762	5,115	91	15,196	13,706	11
Other gains – net	453	896	(49)	1,168	1,489	(22)
Expenses:						
Purchases of inventories	(6,826)	(3,233)	111	(10,236)	(9,911)	3
Employee compensation	(497)	(424)	17	(974)	(914)	7
Depreciation of property, plant and equipment	(583)	(604)	(3)	(1,171)	(1,214)	(4)
Finance expenses	(1)	--	n/m	(1)	(1)	--
Other operating expenses	(1,281)	(1,027)	25	(2,177)	(1,760)	24
Changes in inventories	64	26	146	71	188	(62)
Total expenses	(9,124)	(5,262)	73	(14,488)	(13,612)	6
Profit before income tax	1,091	749	46	1,876	1,583	19
Income tax (expense)/credit	(8)	(180)	(96)	100	(224)	n/m
Total profit	1,083	569	90	1,976	1,359	45
Profit attributable to:						
Equity holders of the Company	1,082	568	90	1,976	1,349	46
Non-controlling interests	1	1	--	--	10	n/m
	1,083	569	90	1,976	1,359	45

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					
	Second Quarter Ended			Half Year Ended		
	31.12.2013	31.12.2012	+ / (-)	31.12.2013	31.12.2012	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total profit	1,083	569	90	1,976	1,359	45
Other comprehensive income/(loss):						
Available-for-sale financial assets - fair value (loss)/gain	(1,383)	1,293	n/m	(2,260)	373	n/m
Currency translation arising from consolidation	1,395	146	855	(213)	(648)	(67)
Other comprehensive income/(loss), net of tax	12	1,439	(99)	(2,473)	(275)	799
Total comprehensive income/(loss)	1,095	2,008	(45)	(497)	1,084	n/m
Total comprehensive income attributable to:						
Equity holders of the Company	1,094	2,007	(45)	(497)	1,074	n/m
Non-controlling interests	1	1	--	--	10	n/m
	1,095	2,008	(45)	(497)	1,084	n/m

n/m - denotes not meaningful

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

	The Group			
	Second Quarter Ended		Half Year Ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before income tax is arrived after (charging)/crediting:				
Currency exchange losses - net	(85)	(22)	(129)	(233)
Depreciation	(583)	(604)	(1,171)	(1,214)
Insurance	(19)	(44)	(52)	(89)
Listing expenses	(20)	(22)	(33)	(32)
Maintenance expenses	(51)	(26)	(107)	(60)
Material handling	(119)	(72)	(202)	(140)
Professional fee	--	(12)	--	(17)
Rental on operating lease	(81)	(104)	(190)	(205)
Utilities	(309)	(219)	(557)	(433)
Interest income:				
- bank deposits	92	193	162	400
- charged to related parties	58	176	134	351
Management fee income	(31)	31	--	61
Shortfall claims on minimum purchases from related parties	197	469	751	821

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	
	31.12.2013	30.6.2013	31.12.2013	30.6.2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	50,163	66,449	12,632	50,112
Trade and other receivables	12,477	11,055	97,458	60,804
Inventories	4,653	5,253	--	--
Other current assets	456	36,090	389	42
	67,749	118,847	110,479	110,958
Non-current assets				
Available-for-sale financial assets	3,182	5,346	--	--
Investments in subsidiaries	--	--	896	896
Property, plant and equipment	22,118	24,065	4	3
Development property for sale	36,429	--	--	--
	61,729	29,411	900	899
Total assets	129,478	148,258	111,379	111,857
LIABILITIES				
Current liabilities				
Trade and other payables	4,453	21,885	562	560
Current income tax liabilities	150	122	23	105
	4,603	22,007	585	665
Non-current liabilities				
Deferred income tax liabilities	3,079	3,553	223	398
Total liabilities	7,682	25,560	808	1,063
NET ASSETS	121,796	122,698	110,571	110,794
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	47,494	47,494	47,494	47,494
Other reserves	11,163	13,636	13,543	13,543
Retained profits	62,428	60,857	49,534	49,757
	121,085	121,987	110,571	110,794
Non-controlling interests	711	711	--	--
TOTAL EQUITY	121,796	122,698	110,571	110,794

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

Amount repayable in one year or less, or on demand

The Group			
31.12.2013		30.6.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
--	--	--	--

Amount repayable after one year

The Group			
31.12.2013		30.6.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
--	--	--	--

Details of any collateral

	The Group	
	31.12.2013	30.6.2013
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand Finance lease liabilities	--	--
Amount repayable after one year Finance lease liabilities	--	--

As at 31 December 2013, the Group's finance lease liabilities of S\$ Nil (30 June 2013: S\$ Nil) are secured by the rights to the leased buildings, 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			
	Second Quarter Ended		Half Year Ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	1,083	569	1,976	1,359
Adjustments for				
- Income tax expense/(credit)	8	180	(100)	224
- Depreciation	583	604	1,171	1,214
- Finance expenses	1	--	1	1
- Interest income	(150)	(369)	(296)	(751)
- Fixed assets written off	15	(3)	15	(3)
- Unrealised currency translation losses	1,605	152	510	25
	3,145	1,133	3,277	2,069
Changes in working capital				
- Trade and other receivables	(1,928)	3,132	(1,622)	872
- Inventories	595	(675)	757	(1,117)
- Other current assets	35,639	(53)	35,629	(13)
- Development property for sale	(36,429)	--	(36,429)	--
- Trade and other payables	(17,637)	357	(17,544)	(1,328)
Cash (used in)/generated from operations	(16,615)	3,894	(15,932)	483
Income tax refunded	--	--	(13)	--
Net cash (used in)/provided by operating activities	(16,615)	3,894	(15,945)	483
Cash flows from investing activities				
Purchases of property, plant and equipment	--	(25)	(43)	(27)
Interest received	93	193	175	400
Deposits paid for purchase of land	--	(6,664)	--	(6,664)
Net cash provided by/(used in) investing activities	93	(6,496)	132	(6,291)
Cash flows from financing activities				
Interest paid	(1)	--	(1)	(1)
Dividends paid to equity holders of the Company	(405)	(2,028)	(405)	(2,028)
Net cash used in financing activities	(406)	(2,028)	(406)	(2,029)
Net decrease in cash and cash equivalents	(16,928)	(4,630)	(16,219)	(7,837)
Cash and cash equivalents at beginning of financial period	66,899	78,599	66,449	82,473
Effects of currency translation on cash and cash equivalents	192	130	(67)	(537)
Cash and cash equivalents at end of financial period	50,163	74,099	50,163	74,099

1(c) (cont'd)

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

	The Group			
	Second Quarter Ended		Half Year Ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	10,335	7,269	10,335	7,269
Short-term bank deposits	39,828	66,830	39,828	66,830
	50,163	74,099	50,163	74,099

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	Capital reduction reserve	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.7.2013	47,494	13,543	49,757	110,794
Total comprehensive income for the period	--	--	26	26
Balance at 30.9.2013	47,494	13,543	49,783	110,820
Total comprehensive income for the period	--	--	156	156
Dividends paid	--	--	(405)	(405)
Balance at 31.12.2013	47,494	13,543	49,534	110,571
Balance at 1.7.2012	47,494	13,543	40,348	101,385
Total comprehensive income for the period	--	--	7,603	7,603
Balance at 30.9.2012	47,494	13,543	47,951	108,988
Total comprehensive income for the period	--	--	149	149
Dividends paid	--	--	(2,028)	(2,028)
Balance at 31.12.2012	47,494	13,543	46,072	107,109

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

Consolidated Statement of Changes in Equity – The Group

	Attributable to equity holders of the Company									Non-controlling Interests S\$'000	Total Equity S\$'000
	Share capital	Capital redemption reserve	Fair value reserve	Currency translation reserve	Capital reduction reserve	Capital reserve	Consolidation reserve	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1.7.2013	47,494	105	1,762	(3,886)	13,543	2,112	--	60,857	121,987	711	122,698
Total comprehensive (loss)/ income for the period	--	--	(877)	(1,608)	--	--	--	894	(1,591)	(1)	(1,592)
Balance at 30.9.2013	47,494	105	885	(5,494)	13,543	2,112	--	61,751	120,396	710	121,106
Dividends paid	--	--	--	--	--	--	--	(405)	(405)	--	(405)
Total comprehensive income for the period	--	--	(1,383)	1,395	--	--	--	1,082	1,094	1	1,095
Balance at 31.12.2013	47,494	105	(498)	(4,099)	13,543	2,112	--	62,428	121,085	711	121,796
Balance at 1.7.2012	47,494	105	--	(4,176)	13,543	2,112	(36)	61,161	120,203	692	120,895
Total comprehensive (loss)/ income for the period	--	--	(920)	(794)	--	--	--	780	(934)	9	(925)
Balance at 30.9.2012	47,494	105	(920)	(4,970)	13,543	2,112	(36)	61,941	119,269	701	119,970
Dividends paid	--	--	--	--	--	--	--	(2,028)	(2,028)	--	(2,028)
Total comprehensive income for the period	--	--	1,293	146	--	--	--	569	2,008	1	2,009
Balance at 31.12.2012	47,494	105	373	(4,824)	13,543	2,112	(36)	60,482	119,249	702	119,951

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.

	31.12.2013	31.12.2012
	No. of Shares	No. of Shares
Issued Share Capital (Note A)	405,522,724	405,522,724
Treasury Shares held	--	--
Shares to be issued pursuant to the exercise of all the outstanding share options (Note B)	--	--

Note A

	No. of Issued Shares
Balance at 30/9/2013	405,522,724
Movement in share capital	--
Balance at 31/12/2013	405,522,724

Note B

Movement in the number of unissued ordinary shares under LAP Share Option Scheme and their exercise prices are set out as follows:

	No. of unissued ordinary shares under option				Exercise price	Exercise period
	As at 1.7.2013	Exercised during financial period	Lapsed/forfeited during financial period	As at 31.12.2013		
2007 Options	--	--	--	--	\$0.24	30.11.2008 – 29.11.2012
	As at 1.7.2012	Exercised during financial period	Lapsed/forfeited during financial period	As at 31.12.2012	Exercise price	Exercise period
2007 Options	52,500	--	(52,500)	--	\$0.24	30.11.2008 – 29.11.2012

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.

	31.12.2013	30.6.2013
Total number of issued shares excluding treasury shares	405,522,724	405,522,724

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 2013.

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 the applicable new and revised Financial Reporting Standards ("FRSs") that became effective for financial year beginning on or after 1 July 2013. The adoption of these new and revised FRSs has no material 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.

Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders:

		The Group			
		Second Quarter Ended		Half Year Ended	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
(i)	Based on weighted average number of shares (cents)	0.27	0.14	0.49	0.33
	Weighted average number of shares ('000 shares)	405,523	405,523	405,523	405,523
(ii)	On a fully diluted basis (cents)	0.27	0.14	0.49	0.33
	Weighted average number of shares ('000 shares)	405,523	405,523	405,523	405,523

Earnings per ordinary share is computed based on the weighted average number of issued shares of 405,522,724 (31.12.2012: 405,522,724).

On a fully diluted basis, all outstanding share options have lapsed on 29 November 2012, before the financial periods ended 31 December 2013 and 31 December 2012.

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	
	31.12.2013	30.6.2013	31.12.2013	30.6.2013
	cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	29.86	30.08	27.27	27.32

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.

During the second quarter ended 31 December 2013, the Group's turnover rose by 91% to S\$9.8 million, from S\$5.1 million in the last corresponding quarter. This was mainly attributable to an increase in the sales volume of the quicklime business, which posted a 51% growth in revenue from S\$5.1 million to S\$7.8 million, as well as revenue of S\$2.0 million from scrap metal trading where no trade was conducted in the last corresponding quarter.

Accordingly, the Group's earnings from business operations during the second quarter went up from S\$0.29 million to S\$1.12 million, as quicklime earnings increased from S\$0.29 million to S\$1.08 million, while earnings generated from scrap metal business amounted to S\$0.04 million.

For the six months ended 31 December 2013, turnover of the Group went up by 11% from S\$13.7 million to S\$15.2 million, on the back of an increase in quicklime revenue by 32% from S\$10.0 million to S\$13.2 million, whereas scrap metal revenue dropped by 45% from S\$3.7 million to S\$2.0 million due to lower business volume.

Hence, the Group's earnings from business operations on a six-month basis increased by 72% from S\$0.88 million to S\$1.51 million, given the rise in quicklime earnings from S\$0.79 million to S\$1.46 million, but offset by a reduction in scrap metal earnings from S\$0.08 million to S\$0.05 million.

During the second quarter, total expenses of the Group rose by 73% to S\$9.1 million, mainly as a result of increases in volume and prices of raw material consumed, higher running costs and also expenditure incurred in relation to the land acquired in Yangzhou ("**Yangzhou Land**"). Nonetheless, net earnings of the Group went up by 90% from S\$0.6 million to S\$1.1 million, partly because of tax adjustments that gave rise to a mere S\$8,000 in income tax expense.

On a six-month basis, the Group's net earnings increased by 46% from S\$1.3 million to S\$2.0 million, partly due to a tax credit of S\$0.1 million rather than an income tax expense after making tax adjustments.

The Group's financial position remained healthy, with a working capital of S\$62.7 million as at 31 December 2013, compared with S\$60.1 million as at 30 June 2013. Cash balance of the Group decreased from S\$66.4 million as at 30 June 2013, to S\$50.2 million as at 31 December 2013, following S\$17.4 million in balance payment for the Yangzhou Land, as well as S\$0.4 million in dividend paid to shareholders of the Company. Consequently, trade and other payables declined from S\$21.9 million to S\$4.5 million. The payment for Yangzhou Land also resulted in S\$15.9 million in net cash used in operating activities during the six-month period.

The total land cost and ancillary costs paid for the Yangzhou Land aggregated S\$36.4 million, which was recorded as development property for sale as at 31 December 2013, and hence other current assets of the Group reduced from S\$36.1 million as at 30 June 2013 to S\$0.5 million as at 31 December 2013. Trade and other receivables increased from S\$11.1 million to S\$12.5 million, whereas inventories decreased from S\$5.3 million to S\$4.7 million as a result of lower stock level. The fair values of the Group's investments went down as at 31 December 2013, and thus available-for-sale financial assets reduced from S\$5.3 million to S\$3.2 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.

The business outlook for the Group's quicklime and scrap metal divisions remains challenging, given the increasing cost pressure and fluctuating demand. Nonetheless, the Group will continue to be diligent and cautious in this difficult environment. The Group is also in the midst of preparation to commence development works on the Yangzhou Land.

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 December 2013.

13. Interested Person Transactions ("IPTs")

For the quarter ended 31.12.2013		
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	--	3,141
Antara Steel Mills Sdn Bhd	--	2,549
Megasteel Sdn Bhd	--	2,356

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 second quarter and half year ended 31 December 2013, to be false or misleading in any material aspects.

**BY ORDER OF THE BOARD
LION ASIAPAC LIMITED**

Tan Yen Hui
Company Secretary

Singapore, 13 February 2014