


LION ASIAPAC LIMITED

(Co. Reg. No. 196800586R)

(Incorporated in the Republic of Singapore)

**First Quarter Unaudited Financial Statement Announcement
For The Quarter Ended 30 September 2015**

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		
	1.7.2015 - 30.9.2015	1.7.2014 - 30.9.2014	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue	4,092	7,624	(46)
Other gains – net	887	683	30
Expenses:			
Purchases of inventories	(2,656)	(5,259)	(49)
Employee compensation	(487)	(520)	(6)
Depreciation of property, plant and equipment	(332)	(627)	(47)
Finance expenses	--	--	--
Other operating expenses	(853)	(1,252)	(32)
Changes in inventories	(37)	(330)	(89)
Total expenses	(4,365)	(7,988)	(45)
Profit before income tax	614	319	92
Income tax credit/(expense)	466	(115)	n/m
Total profit	1,080	204	429
Profit attributable to:			
Equity holders of the Company	1,081	204	429
Non-controlling interests	(1)	--	n/m
	1,080	204	429

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		
	1.7.2015 - 30.9.2015	1.7.2014 - 30.9.2014	Increase/ (Decrease)
	S\$'000	S\$'000	%
Total profit	1,080	204	429
Other comprehensive income/(loss):			
Available-for-sale financial assets - Fair value gain/(loss)	(68)	338	n/m
Currency translation differences arising from consolidation	(1,716)	1,767	n/m
Other comprehensive (loss)/profit, net of tax	(1,784)	2,105	n/m
Total comprehensive (loss)/profit	(704)	2,309	n/m
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(703)	2,309	n/m
Non-controlling interests	(1)	--	--
	(704)	2,309	n/m

n/m - denotes not meaningful

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

	The Group	
	1.7.2015 - 30.9.2015	1.7.2014 - 30.9.2014
	S\$'000	S\$'000
Profit before income tax is arrived after (charging)/crediting:		
Currency translation (losses)/gains - net	(49)	65
Depreciation	(332)	(627)
Insurance	(27)	(41)
Listing expenses	(12)	(21)
Maintenance expenses	(54)	(55)
Material handling	(54)	(82)
Professional fee	(9)	(32)
Rental on operating lease	(125)	(96)
Transportation	(403)	(305)
Utilities	(215)	(292)
Interest income:		
- bank deposits	287	150
- charged to related parties	107	68
- Shortfall claims on minimum purchases from related parties	536	349

1(b)(i) A balance sheet (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	
	30.9.2015	30.6.2015	30.9.2015	30.6.2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	53,459	51,817	1,118	418
Trade and other receivables	7,920	8,294	70,174	69,435
Inventories	6,005	6,701	--	--
Income tax receivable	92	155	147	155
Other current assets	437	531	18	3
	67,913	67,498	71,457	70,011
Non-current assets				
Available-for-sale financial assets	235	317	--	--
Development property for sale	40,011	38,667	--	--
Investments in subsidiaries	--	--	896	896
Property, plant and equipment	9,417	10,890	410	441
	49,663	49,874	1,306	1,337
Total assets	117,576	117,372	72,763	71,348
LIABILITIES				
Current liabilities				
Trade and other payables	4,303	3,423	1,191	1,164
Finance lease payable	60	60	60	60
Provision	39,839	38,594	--	--
	44,202	42,077	1,251	1,224
Non-current liabilities				
Finance lease payable	135	150	135	150
Deferred income tax liabilities	256	877	223	223
	391	1,027	358	373
Total liabilities	44,593	43,104	1,609	1,597
NET ASSETS	72,983	74,268	71,154	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	(3,587)	(1,804)	--	--
Retained profits	28,940	27,860	23,660	22,257
	72,847	73,550	71,154	69,751
Non-controlling interests	136	718	--	--
TOTAL EQUITY	72,983	74,268	71,154	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			
30.9.2015		30.6.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60	--	60	--

Amount repayable after one year

The Group			
30.9.2015		30.6.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
135	--	150	--

Details of any collateral

	The Group	
	30.9.2015	30.6.2015
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
Finance lease liabilities	60	60
Amount repayable after one year		
Finance lease liabilities	135	150

As at 30 September 2015, the Group's finance lease liabilities of S\$195,000 (30 June 2015: S\$210,000) are secured by the rights to the motor vehicle, which will revert to the lessor in the event of default by the Group.

- 1(c) A cash flow statement (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	
	1.7.2015 - 30.9.2015	1.7.2014 - 30.9.2014
	S\$'000	S\$'000
Cash flows from operating activities		
Total profit	1,080	204
Adjustments for		
- Income tax (credit)/expense	(466)	115
- Depreciation of property, plant and equipment	332	627
- Interest income	(394)	(218)
- Fixed assets written off	12	--
- Unrealised currency translation losses	502	1,061
	1,066	1,789
Change in working capital		
- Trade and other receivables	(265)	350
- Inventories	88	(449)
- Other current assets	99	(13)
- Development property for sales	(91)	(1,396)
- Trade and other payables	433	442
	1,330	723
Income tax paid	(93)	--
Net cash provided by operating activities	1,237	723
Cash flows from investing activities		
Distributions to non-controlling interests arising from reduction of capital of a subsidiary	(581)	--
Proceeds from disposal of property, plant and equipment	145	--
Purchases of property, plant and equipment	(42)	(20)
Interest received	394	218
Net cash used in provided by investing activities	(84)	198
Cash flows from financing activities		
Finance lease repayments	(15)	(15)
Net cash used in financing activities	(15)	(15)
Net increase in cash and cash equivalents	1,138	906
Cash and cash equivalents at beginning of financial period	51,817	48,971
Effects of currency translation on cash and cash equivalents	504	828
Cash and cash equivalents at end of financial period	53,459	50,705

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

	The Group	
	30.9.2015	30.9.2014
	S\$'000	S\$'000
Cash at bank and on hand	5,668	20,077
Short-term bank deposits	47,791	30,628
	53,459	50,705

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

Consolidated Statement of Changes in Equity – The Group

	Attributable to equity holders of the Company								Non-controlling Interests	Total Equity
	Share capital	Capital redemption reserve	Statutory Reserve	Currency translation reserve	Capital reserve	Fair value reserve	Retained profits	Total		
	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 income for the period	--	--	--	(1,715)	--	(68)	1,080	(703)	(1)	(704)
Distributions from cancellation of shares by a subsidiary	--	--	--	--	--	--	--	--	(581)	(581)
Balance at 30.9.2015	47,494	105	180	(5,916)	2,112	(68)	28,940	72,847	136	72,983
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	--	--	--	1,767	--	338	204	2,309	--	2,309
Balance at 30.9.2014	47,494	105	--	(4,249)	2,112	338	76,025	121,825	711	122,536

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 profit for the period	--	1,403	1,403
Balance at 30.9.2015	47,494	23,660	71,154
Balance at 1.7.2014	47,494	61,043	108,537
Total comprehensive profit for the period	--	298	298
Balance at 30.9.2014	47,494	61,341	108,835

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

	30.9.2015	30.9.2014
	No. of Shares	No. of Shares
Issued Share Capital (Note)	81,104,539	81,104,539
Treasury Shares held	--	--
Shares to be issued pursuant to the exercise of all the outstanding convertibles	--	--

Note

	No. of Issued Shares
Balance at 1.7.2015	81,104,539
Movement in share capital	--
Balance at 30.9.2015	81,104,539

During the quarter, the Company completed the consolidation of every five (5) existing ordinary shares into one (1) consolidated ordinary share in the capital of the Company. Following the share consolidation, the total number of issued shares is currently 81,104,539.

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.

	30.9.2015	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

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

		The Group	
		30.9.2015	30.9.2014
(i)	Based on weighted average number of shares (cents)	1.33	0.25
	Weighted average number of shares ('000 shares)	81,105	81,105
(ii)	On a fully diluted basis (cents)	1.33	0.25
	Weighted average number of shares ('000 shares)	81,105	81,105

Earnings per ordinary share is computed based on the weighted average number of issued shares of 81,104,539 (30.9.2014: 81,104,539).

On a fully diluted basis, there were no outstanding convertibles during the financial periods ended 30 September 2014 and 2015

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	
	30.9.2015	30.6.2015	30.9.2015	30.6.2015
	cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	89.82	90.69	87.73	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

For the first quarter ended 30 September 2015, the Group posted a 46% reduction in turnover to S\$4.09 million, from S\$7.62 million in the last corresponding quarter. As a result of a contraction in market demand, revenue from lime manufacturing declined from S\$5.63 million to S\$4.09 million. Weak demand for steel persisted, which resulted in the absence of trade, and hence no revenue was generated this quarter.

Earnings from operations

During this quarter, the Group's operations incurred a loss of S\$0.10 million, against last corresponding quarter's loss of S\$0.13 million. Lime earnings reduced from S\$0.24 million to S\$0.13 million, whilst expenditure of S\$0.19 million and S\$0.04 million were incurred for steel trading and property development respectively.

Net Earnings

Total expenses of the Group dropped by 45% to S\$4.36 million during this quarter. This was mainly attributable to decreases in inventory purchases by 49% and other operating expenses by 32%. Additionally, there was a 47% reduction in depreciation of plant and equipment, arising from an impairment in the preceding quarter.

Increase in interest income pushed up other gains by 30% to S\$0.89 million. A tax credit of S\$0.47 million was recorded after accounting for temporary exchange losses due to weakening Ringgit, against S\$0.12 million in tax expense in the last corresponding quarter.

Consequently, the Group's net earnings for this quarter rose from S\$0.20 million to S\$1.08 million.

Financial Position

The Group registered a working capital of S\$23.27 million as at quarter end, against S\$24.89 million as at 30 June 2015. Cash balance increased marginally from S\$51.82 million to S\$53.46 million, partly contributed by S\$1.24 million in operating cash inflow, whereas S\$0.58 million was distributed to non-controlling shareholders of a subsidiary, following a capital reduction exercise.

Trade and other receivables of the Group reduced from S\$8.29 million as at 30 June 2015, to S\$7.92 million at quarter end, and inventories decreased from S\$6.70 million to S\$6.01 million. On the other hand, trade and other payables increased from S\$3.42 million to S\$4.30 million, owing to an advance payment from customer. As the fair values of the Group's investments were lower at quarter end, available-for-sale financial assets went down from S\$0.32 million to S\$0.24 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 Group will remain vigilant, on the backdrop of market uncertainty, falling demand and aggressive competition that continue to threaten its core businesses. Meanwhile, efforts to divest the Group's interest in its development project in China are ongoing.

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 30 September 2015.

13. Interested Person Transactions (“IPTs”)

For the financial period ended 30.9.2015		
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	--	2,319
Antara Steel Mills Sdn Bhd	--	361
Megasteel Sdn Bhd	--	2,408

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 Lion Asiapac Limited for the first quarter ended 30 September 2015, to be false or misleading in any material aspects.

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

Tan Yen Hui
Company Secretary

Singapore, 27 October 2015