


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 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					
	Third Quarter Ended			Nine Months Ended		
	31.3.2015	31.3.2014	+ / (-)	31.3.2015	31.3.2014	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	9,240	6,488	42	23,362	21,684	8
Other gains – net	450	422	7	1,991	1,590	25
Expenses:						
Purchases of inventories	(7,316)	(4,164)	76	(16,991)	(14,400)	18
Employee compensation	(578)	(532)	9	(1,664)	(1,506)	10
Depreciation of property, plant and equipment	(599)	(615)	(3)	(1,843)	(1,786)	3
Finance expenses	--	--	n/m	(1)	(1)	-
Other operating expenses	(991)	(1,054)	(6)	(3,621)	(3,231)	12
Changes in inventories	178	53	236	(211)	124	n/m
Total expenses	(9,306)	(6,312)	47	(24,331)	(20,800)	17
Profit before income tax	384	598	(36)	1,022	2,474	(59)
Income tax expense	53	(134)	n/m	14	(34)	n/m
Total profit	437	464	(6)	1,036	2,440	(58)
Profit attributable to:						
Equity holders of the Company	436	463	(6)	1,035	2,439	(58)
Non-controlling interests	1	1	-	1	1	-
	437	464	(6)	1,036	2,440	(58)

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		
	31.3.2015	31.3.2014	+ / (-)	31.3.2015	31.3.2014	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total profit	437	464	(6)	1,036	2,440	(58)
Other comprehensive income/(loss):						
Available-for-sale financial assets						
- fair value (loss)/gain	(11)	343	n/m	(172)	(1,917)	(91)
- currency translation arising from consolidation	2,099	(1,641)	n/m	4,443	(1,854)	n/m
Other comprehensive income/(loss), net of tax	2,088	(1,298)	n/m	4,271	(3,771)	n/m
Total comprehensive income/(loss)	2,525	(834)	n/m	5,307	(1,331)	n/m
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	2,524	(835)	n/m	5,306	(1,332)	n/m
Non-controlling interests	1	1	-	1	1	-
	2,525	(834)	n/m	5,307	(1,331)	n/m

n/m - denotes not meaningful

1(a)(iii) [Additional disclosures](#)

	The Group			
	Third Quarter Ended		Nine Months Ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before income tax is arrived after (charging)/crediting:				
Depreciation	(599)	(615)	(1,843)	(1,786)
Insurance	(44)	(30)	(123)	(82)
Listing expenses	(12)	(12)	(59)	(45)
Maintenance expenses	(80)	(58)	(167)	(165)
Material handling	(83)	(99)	(252)	(301)
Rental on operating lease	(107)	(110)	(299)	(300)
Utilities	(285)	(298)	(870)	(855)
Interest income:				
- bank deposits	92	109	407	271
- charged to related parties	44	72	198	206
Shortfall claims on minimum purchases from related parties	71	350	908	1,101

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	
	31.3.2015	30.6.2014	31.3.2015	30.6.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	51,937	48,971	581	4,791
Trade and other receivables	11,764	12,323	71,475	65,434
Inventories	6,839	6,283	--	--
Other current assets	142	238	15	6
	70,682	67,815	72,071	70,231
Non-current assets				
Available-for-sale financial assets	2,186	2,908	--	--
Development property for sale	39,432	35,174	--	--
Investments in subsidiaries	--	--	38,758	38,753
Property, plant and equipment	19,062	21,740	473	567
	60,680	59,822	39,231	39,320
Total assets	131,362	127,637	111,302	109,551
LIABILITIES				
Current liabilities				
Trade and other payables	3,519	3,906	1,084	461
Income tax payable	(216)	85	(172)	60
Finance lease payables	60	60	60	60
	3,363	4,051	972	581
Non-current liabilities				
Deferred income tax liabilities	2,706	3,149	222	223
Finance lease payables	165	210	165	210
	2,871	3,359	387	433
Total liabilities	6,234	7,410	1,359	1,014
NET ASSETS	125,128	120,227	109,943	108,537
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	47,494	47,494	47,494	47,494
Other reserves	472	(3,799)	--	--
Retained profits	76,450	75,821	62,449	61,043
	124,416	119,516	109,943	108,537
Non-controlling interests	712	711	--	--
TOTAL EQUITY	125,128	120,227	109,943	108,537

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

Amount repayable in one year or less, or on demand

The Group			
31.3.2015		30.6.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60	--	60	--

Amount repayable after one year

The Group			
31.3.2015		30.6.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
165	--	210	--

Details of any collateral

	The Group	
	31.3.2015	30.6.2014
	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	165	210

As at 31 March 2015, the Group's finance lease liabilities of S\$225,000 (30 June 2014: S\$270,000) 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	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	437	464	1,036	2,440
Adjustments for				
- Income tax (credit)/expense	(53)	134	(14)	34
- Depreciation	599	615	1,843	1,786
- Finance expenses	--	--	1	1
- Interest income	(136)	(181)	(605)	(477)
- Fixed assets written off	--	--	--	15
- Unrealised currency translation losses/(gains)	2,414	(1,544)	5,575	(1,034)
	3,261	(512)	7,836	2,765
Changes in working capital				
- Trade and other receivables	(1,136)	2,505	169	883
- Inventories	(199)	(1,516)	(224)	(759)
- Other current assets	17	286	101	35,915
- Development property for sale	(1,685)	1,136	(4,258)	(35,293)
- Trade and other payables	(667)	1,272	(2,773)	(16,272)
Cash (used in)/generated from operations	(409)	3,171	851	(12,761)
Income tax paid	(606)	(121)	(606)	(134)
Net cash (used in)/generated from operating activities	(1,015)	3,050	245	(12,895)
Cash flows from investing activities				
Purchases of property, plant and equipment	(105)	(376)	(125)	(419)
Interest received	136	302	605	477
Net cash generated from/(used in) investing activities	31	(74)	480	58
Cash flows from financing activities				
Finance lease repayments	(15)	(15)	(45)	(15)
Interest paid	--	--	(1)	(1)
Dividends paid to equity holders of the Company	--	--	(406)	(405)
Net cash (used in)/generated from financing activities	(15)	(15)	(452)	(421)
Net (decrease)/increase in cash and cash equivalents	(999)	2,961	273	(13,258)
Cash and cash equivalents at beginning of financial period	51,794	50,163	48,971	66,449
Effects of currency translation on cash and cash equivalents	1,142	(254)	2,693	(321)
Cash and cash equivalents at end of financial period	51,937	52,870	51,937	52,870

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	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	4,938	26,785	4,938	26,785
Short-term bank deposits	46,999	26,085	46,999	26,085
	51,937	52,870	51,937	52,870

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 1.7.2014	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
Balance at 1.7.2013	47,494	13,543	49,757	110,794
Total comprehensive income for the period	--	--	182	182
Dividends	--	--	(405)	(405)
Balance at 31.12.2013	47,494	13,543	49,534	110,571
Total comprehensive income for the period	--	--	13	13
Balance at 31.3.2014	47,494	13,543	49,547	110,584

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

Consolidated Statement of Changes in Equity – The Group

	Share capital	Capital redemption reserve	Fair value reserve	Currency translation reserve	Capital reduction reserve	Capital reserve	Retained profits	Total	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
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	--	--	(161)	2,344	--	--	599	2,782	--	2,782
Dividends paid	--	--	--	--	--	--	(406)	(406)	--	(406)
Balance at 31.12.2014	47,494	105	(161)	(3,672)	--	2,112	76,014	121,892	711	122,603
Total comprehensive (loss)/ income for the period	--	--	(11)	2,099	--	--	436	2,524	1	2,525
Balance at 31.3.2015	47,494	105	(172)	(1,573)	--	2,112	76,450	124,416	712	125,128
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	--	--	(2,260)	(213)	--	--	1,976	(497)	--	(497)
Dividends paid	--	--	--	--	--	--	(405)	(405)	--	(405)
Balance at 31.12.2013	47,494	105	(498)	(4,099)	13,543	2,112	62,428	121,085	711	121,796
Total comprehensive income/ (loss) for the period	--	--	343	(1,641)	--	--	463	(835)	1	(834)
Balance at 31.3.2014	47,494	105	(155)	(5,740)	13,543	2,112	62,891	120,250	712	120,962

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.

	31.3.2015	31.3.2014
	No. of Shares	No. of Shares
Issued Share Capital (<i>Note A</i>)	405,522,724	405,522,724
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 1/1/2015	405,522,724
Movement in share capital	--
Balance at 31/3/2015	405,522,724

Note B

There were no unissued ordinary shares for the financial periods ended 31 March 2015 and 31 March 2014.

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.

	31.3.2015	30.6.2014
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 2014.

- 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			
		Third Quarter Ended		Nine Months Ended	
		31.3.2015	31.3.2014	31.3.2015	31.3.2014
a)	Based on weighted average number of shares (cents)	0.11	0.11	0.26	0.60
	Weighted average number of shares ('000 shares)	405,523	405,523	405,523	405,523
b)	On a fully diluted basis (cents)	0.11	0.11	0.26	0.60
	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 (31.3.2014: 405,522,724).

On a fully diluted basis, there were no outstanding convertibles during the financial periods ended 31 March 2014 and 31 March 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	
	31.3.2015	30.6.2014	31.3.2015	30.6.2014
	cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	30.68	29.47	27.11	26.76

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 2015, the Group registered a 42% growth in turnover to S\$9.2 million, from S\$6.5 million in the last corresponding quarter. This was mainly attributable to a rise in the revenue of steel consumables trading ("consumables") from S\$0.45 million to S\$3.34 million, and a decrease in the sales of lime products ("lime") from S\$6.04 million to S\$5.90 million.

During the nine months ended 31 March 2015, turnover of the Group rose by 8% from S\$21.7 million to S\$23.4 million, where consumables revenue increased from S\$2.48 million to S\$6.15 million, and lime revenue went down from S\$19.20 million to S\$17.21 million.

Earnings from business operations

The Group's earnings from business operations during the third quarter declined from S\$0.30 million to S\$0.28 million owing to lime earnings decreased from S\$0.60 million to S\$0.56 million; expenditure for the property development division ('development') increased from S\$0.08 million to S\$0.16 million, and a reduction in consumables losses from S\$0.22 million to S\$0.12 million.

On a nine-month basis, a loss of S\$3,000 from business operations was incurred, compared with earnings of S\$1.73 million in the last corresponding period. This was largely attributable to a fall in lime earnings from S\$2.04 million to S\$0.95 million as a result of higher running costs; an increase in development expenditure from S\$0.14 million to S\$0.47 million, and a higher loss from consumables from S\$0.17 million to S\$0.48 million because of cost reallocation.

Net Earnings

Total expenditure of the Group went up both in this quarter and the nine-month period, on the back of an increase in purchases of inventories, as well as higher operating costs and development expenses being incurred.

Income tax credits resulting from tax adjustments were recorded for both this third quarter and the nine-month period, against tax provisions in the last corresponding periods.

In view of the above, the Group's net earnings reduced by 6% from S\$0.46 million to S\$0.44 million for this third quarter, and it also declined by 58% from S\$2.4 million to S\$1.04 million on a nine-month basis.

Financial Position

The Group's financial position remained healthy, with a working capital of S\$67.2 million as at 31 March 2015, compared with S\$63.5 million as at 30 June 2014. Cash balance of the Group increased slightly from S\$49.0 million as at 30 June 2014, to S\$51.9 million as at 31 March 2015, mainly due to currency translation gain of S\$2.7 million; S\$0.6 million interest received and S\$0.4 million dividend payment by the Company. Following payments to suppliers and for development expenses, trade and other payables fell from S\$3.9 million to S\$3.5 million. Additionally, a net cash of S\$1.0 million was used in operating activities during the third quarter.

As at 31 March 2015, trade and other receivables decreased from S\$12.3 million to S\$11.8 million; inventories increased slightly from S\$6.3 million to S\$6.8 million due to replenishment of stocks. Available-for-sale financial assets declined from S\$2.9 million to S\$2.2 million as at 31 March 2015 owing to decreases in market values of the Group's investments.

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 watchful as soaring costs and mounting price pressure persist in the markets where its businesses operate.

As mentioned previously, the property market in China is currently in a downturn. The austerity measures implemented by the Chinese government have not only resulted in a liquidity crunch, but also aggravated the already depressed property market. Property developers have not only seen a drop in sales prices, but also a substantial fall in sales volume. The deterioration of the property market is also expected to result in reduced sales collection, which in turn will adversely affect the funding of the development costs of the Group's development project. As such, it is expected that it would be extremely challenging for the Group to achieve break-even on its project, based on the current market conditions. The Board is exploring all options available to reduce the negative impact of this to the Group, and will keep shareholders informed of major developments accordingly.

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 2015.

13. Interested Person Transactions (“IPTs”)

For the financial period ended 31.3.2015		
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	--	1,040
Antara Steel Mills Sdn Bhd	--	3,703
Megasteel Sdn Bhd	--	1,720

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 2015, to be false or misleading in any material aspects.

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

Tan Yen Hui
Company Secretary

Singapore, 13 May 2015