



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 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		
	1.7.2016 - 30.9.2016	1.7.2015 - 30.9.2015	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue	1,893	4,092	(54)
Other gains – net	470	887	47
Expenses:			
Purchases of inventories	(1,198)	(2,656)	(55)
Employee compensation	(411)	(487)	(16)
Depreciation of property, plant and equipment	(398)	(332)	20
Other operating expenses	(808)	(853)	(5)
Changes in inventories	71	(37)	n/m
Total expenses	(2,744)	(4,365)	(37)
(Loss)/Profit before income tax	(381)	614	n/m
Income tax credit	145	466	(69)
Total (loss)/profit	(236)	1,080	n/m
(Loss)/Profit attributable to:			
Equity holders of the Company	(236)	1,081	n/m
Non-controlling interests	--	(1)	n/m
	(236)	1,080	n/m

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		
	1.7.2016 - 30.9.2016	1.7.2015 - 30.9.2015	Increase/ (Decrease)
	S\$'000	S\$'000	%
Total (loss)/profit	(236)	1,080	n/m
Other comprehensive income/(loss):			
Available-for-sale financial assets - Fair value gain/(loss)	129	(68)	n/m
Currency translation differences arising from consolidation	(129)	(1,716)	(92)
Other comprehensive loss, net of tax	--	(1,784)	n/m
Total comprehensive loss	(236)	(704)	(66)
Total comprehensive loss attributable to:			
Equity holders of the Company	(236)	(703)	(66)
Non-controlling interests	--	(1)	n/m
	(236)	(704)	(71)

n/m - denotes not meaningful

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

	The Group	
	1.7.2016 - 30.9.2016	1.7.2015 - 30.9.2015
	S\$'000	S\$'000
(Loss)/Profit before income tax is arrived after (charging)/crediting:		
Currency translation losses	(6)	(49)
Depreciation	(398)	(332)
Impairment loss on available-for-sale financial asset	(78)	--
Insurance	(26)	(27)
Listing expenses	(20)	(12)
Maintenance expenses	(29)	(54)
Material handling	(55)	(54)
Professional fee	--	(9)
Rental on operating lease	(54)	(125)
Transportation	(190)	(403)
Utilities	(206)	(215)
Interest income:		
- bank deposits	160	287
- charged to related parties	46	107
- Shortfall claims on minimum purchases from related parties	142	536

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	
	30.9.2016	30.6.2016	30.9.2016	30.6.2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	51,093	50,128	699	398
Trade and other receivables	3,751	3,724	69,029	68,361
Inventories	5,848	5,953	--	--
Income tax receivable	91	118	62	75
Other current assets	323	304	21	3
	61,106	60,227	69,811	68,837
Non-current assets				
Available-for-sale financial assets	266	208	--	--
Development property for sale	36,815	36,438	--	--
Investments in subsidiaries	--	--	502	502
Property, plant and equipment	8,468	9,016	284	315
	45,549	45,662	786	817
Total assets	106,655	105,889	70,597	69,654
LIABILITIES				
Current liabilities				
Trade and other payables	2,778	1,890	1,212	1,155
Finance lease payable	60	60	60	60
Provision	36,460	36,104	--	--
	39,298	38,054	1,272	1,215
Non-current liabilities				
Finance lease payable	75	90	75	223
Deferred income tax liabilities	(1)	226	224	90
	74	316	299	313
Total liabilities	39,372	38,370	1,571	1,528
NET ASSETS	67,283	67,519	69,026	68,126
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	47,494	47,494	47,494	47,494
Other reserves	(5,324)	(5,324)	--	--
Retained earnings	24,979	25,215	21,532	20,632
	67,149	67,385	69,026	68,126
Non-controlling interests	134	134	--	--
TOTAL EQUITY	67,283	67,519	69,026	68,126

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

Amount repayable in one year or less, or on demand

The Group			
30.9.2016		30.6.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60	--	60	--

Amount repayable after one year

The Group			
30.9.2016		30.6.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
75	--	90	--

Details of any collateral

	The Group	
	30.9.2016	30.6.2016
	S\$'000	S\$'000
Borrowings		
Amount repayable in one year or less, or on demand		
Finance lease liabilities	60	60
Amount repayable after one year		
Finance lease liabilities	75	90

As at 30 September 2016, the Group's finance lease liabilities of S\$135,000 (30 June 2016: S\$150,000) 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	
	1.7.2016 - 30.9.2016	1.7.2015 - 30.9.2015
	S\$'000	S\$'000
Cash flows from operating activities		
Total (loss)/profit	(236)	1,080
Adjustments for		
- Income tax credit	(145)	(466)
- Depreciation of property, plant and equipment	398	332
- Impairment loss on available-for-sale financial asset	78	--
- Interest income	(206)	(394)
- Fixed assets written off	2	12
- Unrealised currency translation (gain)/losses	(7)	502
	(116)	1,066
Change in working capital		
- Trade and other receivables	77	(265)
- Inventories	(2)	88
- Other current assets	(19)	99
- Development property for sale	(18)	(91)
- Trade and other payables	898	433
	820	1,330
Income tax paid	(58)	(93)
Net cash provided by operating activities	762	1,237
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	--	145
Purchases of property, plant and equipment	(22)	(42)
Interest received	34	394
Net cash provided by investing activities	12	497
Cash flows from financing activities		
Distributions to non-controlling interests arising from reduction of capital of a subsidiary	--	(581)
Finance lease repayments	(15)	(15)
Net cash used in financing activities	(15)	(596)
Net increase in cash and cash equivalents	759	1,138
Cash and cash equivalents at beginning of financial period	50,128	51,817
Effects of currency translation on cash and cash equivalents	206	504
Cash and cash equivalents at end of financial period	51,093	53,459

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

	The Group	
	30.9.2016	30.9.2015
	S\$'000	S\$'000
Cash at bank and on hand	4,282	5,668
Short-term bank deposits	46,811	47,791
	51,093	53,459

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 earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1.7.2016	47,494	105	180	(7,721)	2,112	--	25,215	67,385	134	67,519
Total comprehensive (loss)/income for the period	--	--	--	(129)	--	129	(236)	(236)	--	(236)
Balance at 30.9.2016	47,494	105	180	(7,850)	2,112	129	24,979	67,149	134	67,283
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	--	--	--	(1,715)	--	(68)	1,080	(703)	(1)	(704)
Distribution from capital reduction of 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

Statement of Changes in Equity – The Company

	Share capital	Retained earnings	Total
	S\$'000	S\$'000	S\$'000
Balance at 1.7.2016	47,494	20,632	68,126
Total comprehensive profit for the period	--	900	900
Balance at 30.9.2016	47,494	21,532	69,026
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

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

	30.9.2016	30.9.2015
	No. of Shares	No. of Shares
Issued Share Capital <i>(Note)</i>	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 Shares
Balance at 1/7/2016	81,104,539
Movement in share capital	--
Balance at 30/9/2016	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.

	30.9.2016	30.6.2016
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 2016.

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	
		30.9.2016	30.9.2015
(i)	Based on weighted average number of shares (cents)	(0.29)	1.33
	- Weighted average number of shares ('000 shares)	81,105	81,105
(ii)	On a fully diluted basis (cents)	(0.29)	1.33
	- 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 (30.9.2015: 81,104,539).

On a fully diluted basis, there were no outstanding convertibles during the financial periods ended 30 September 2015 and 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	
	30.9.2016	30.6.2016	30.9.2016	30.6.2016
	cents	cents	cents	Cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	82.79	83.08	85.11	84.00

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

Turnover of the Group, solely contributed by lime manufacturing, reduced to S\$1.89 million for the first quarter ended 30 September 2016, from S\$4.09 million in the last corresponding quarter. Owing to adverse market conditions and declining demand, lime production decreased significantly.

Net Earnings

During the first quarter, total expenses of the Group, including expenditure incurred by property development and steel trading which have not been generating any revenue, went down by 37% to S\$2.74 million mainly due to a drop in purchases of inventories.

An impairment loss of S\$78,000 was made for the investment in Lion Corporation Berhad, as its shares have been delisted from the stock exchange in Malaysia in October 2016 and is continuing its operations and business as an unlisted entity. Depreciation increased by S\$66,000 to S\$0.40 million, due to purchases of equipment. After accounting for exchange losses due to weakening Ringgit, a tax credit of S\$0.15 million was recorded.

In view of the above, the Group incurred a loss of S\$0.24 million, against net earnings of S\$1.08 million in the last corresponding quarter.

Financial Position

The working capital of the Group as at 30 September 2016 remained largely unchanged from 30 June 2016, amounted to approximately S\$21 million. Cash balance increased slightly to S\$51.1 million, which was mainly attributable to S\$1.0 million in deposit received relating to the proposed disposal of the Group's entire equity interest in Yangzhou Lion Property Development Co Ltd. Consequently, trade and other payables went up from S\$1.9 million to S\$2.8 million.

Trade and other receivables of the Group hovered at approximately S\$3.7 million at the end of this quarter compared to 30 June 2016, likewise for inventories of approximately S\$5.8 million. After taking into account the abovementioned impairment loss for the investment in Malaysia, and given the increase in market value of the Group's investment in Australia, available-for-sale financial assets rose marginally from S\$0.21 million to S\$0.27 million at this quarter end.

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 outlook for the Group's operations remains very weak. A cost reduction strategy for the lime manufacturing division is in the pipeline, in order to enhance its competitiveness and to penetrate into new market segments.

With the impending divestment in China, other investment projects are being explored, so as to enlarge the revenue base of the Group.

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 2016.

13. Interested Person Transactions (“IPTs”)

For the financial period ended 30.9.2016		
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	--	921

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 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, 31 October 2016