

**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 2014****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		
	1.7.2014 - 30.9.2014	1.7.2013 - 30.9.2013	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue	7,624	5,434	40
Other gains – net	683	715	(4)
Expenses:			
Purchases of inventories	(5,259)	(3,410)	54
Employee compensation	(520)	(477)	9
Depreciation of property, plant and equipment	(627)	(588)	7
Finance expenses	--	--	--
Other operating expenses	(1,252)	(896)	40
Changes in inventories	(330)	7	n/m
Total expenses	(7,988)	(5,364)	49
<b>Profit before income tax</b>	<b>319</b>	<b>785</b>	(59)
Income tax (expense)/credit	(115)	108	n/m
<b>Total profit</b>	<b>204</b>	<b>893</b>	(77)
<b>Profit/(loss) attributable to:</b>			
Equity holders of the Company	204	894	(77)
Non-controlling interests	--	(1)	n/m
	<b>204</b>	<b>893</b>	(77)

*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		
	1.7.2014 - 30.9.2014	1.7.2013 - 30.9.2013	Increase/ (Decrease)
	S\$'000	S\$'000	%
Total profit	204	893	(77)
<b>Other comprehensive income/(loss):</b>			
Available-for-sale financial assets			
- Fair value gain/(loss)	338	(877)	n/m
Currency translation differences arising from consolidation	1,767	(1,608)	n/m
<b>Other comprehensive profit/(loss), net of tax</b>	<b>2,105</b>	<b>(2,485)</b>	n/m
<b>Total comprehensive profit/(loss)</b>	<b>2,309</b>	<b>(1,592)</b>	n/m
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company	2,309	(1,591)	n/m
Non-controlling interests	--	(1)	n/m
	<b>2,309</b>	<b>(1,592)</b>	n/m

*n/m - denotes not meaningful*

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

	The Group	
	1.7.2014 - 30.9.2014	1.7.2013 - 30.9.2013
	S\$'000	S\$'000
Profit before income tax is arrived after (charging)/crediting:		
Currency translation gains/(losses) - net	65	(44)
Insurance	(41)	(33)
Listing expenses	(21)	(13)
Maintenance expenses	(55)	(56)
Material handling	(82)	(83)
Professional fee	(32)	--
Rental on operating lease	(96)	(109)
Utilities	(292)	(248)
Interest income:		
- bank deposits	150	70
- charged to related parties	68	76
- Shortfall claims on minimum purchases from related parties	349	554

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	
	30.9.2014	30.6.2014	30.9.2014	30.6.2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	50,705	48,971	5,104	4,791
Trade and other receivables	11,974	12,323	65,454	65,434
Inventories	6,732	6,283	--	--
Other current assets	253	238	20	6
	69,664	67,815	70,578	70,231
<b>Non-current assets</b>				
Available-for-sale financial assets	3,112	2,908	--	--
Development property for sale	36,570	35,174	--	--
Investments in subsidiaries	--	--	38,753	38,753
Property, plant and equipment	21,142	21,740	536	567
	60,824	59,822	39,289	39,320
<b>Total assets</b>	<b>130,488</b>	<b>127,637</b>	<b>109,867</b>	<b>109,551</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	4,494	3,906	478	461
Finance lease payable	60	60	60	60
Current income tax liabilities	67	85	76	60
	4,621	4,051	614	581
<b>Non-current liabilities</b>				
Finance lease payable	195	210	195	210
Deferred income tax liabilities	3,136	3,149	223	223
	3,331	3,359	418	433
<b>Total liabilities</b>	<b>7,952</b>	<b>7,410</b>	<b>1,032</b>	<b>1,014</b>
<b>NET ASSETS</b>	<b>122,536</b>	<b>120,227</b>	<b>108,835</b>	<b>108,537</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	47,494	47,494	47,494	47,494
Other reserves	(1,694)	(3,799)	--	--
Retained profits	76,025	75,821	61,341	61,043
	121,825	119,516	108,835	108,537
<b>Non-controlling interests</b>	711	711	--	--
<b>TOTAL EQUITY</b>	<b>122,536</b>	<b>120,227</b>	<b>108,835</b>	<b>108,537</b>

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

**Amount repayable in one year or less, or on demand**

<b>The Group</b>			
<b>30.9.2014</b>		<b>30.6.2014</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
60	--	60	--

**Amount repayable after one year**

<b>The Group</b>			
<b>30.9.2014</b>		<b>30.6.2014</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
195	--	210	--

**Details of any collateral**

	<b>The Group</b>	
	<b>30.9.2014</b>	<b>30.6.2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Amount repayable in one year or less, or on demand</b>		
Finance lease liabilities	60	60
<b>Amount repayable after one year</b>		
Finance lease liabilities	195	210

As at 30 September 2014, the Group's finance lease liabilities of S\$255,000 (30 June 2014: S\$270,000) 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**

	<b>The Group</b>	
	<b>1.7.2014 - 30.9.2014</b>	<b>1.7.2013 - 30.9.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Total profit	204	893
Adjustments for		
- Income tax expense/(credit)	115	(108)
- Depreciation of property, plant and equipment	627	588
- Interest income	(218)	(146)
- Unrealised currency translation losses/(gains)	1,061	(1,095)
	1,789	132
Changes in working capital		
- Trade and other receivables	350	306
- Inventories	(449)	162
- Other current assets	(13)	(10)
- Development property for sale	(1,396)	--
- Trade and other payables	442	93
	723	683
Income tax paid	--	(13)
<b>Net cash provided by operating activities</b>	<b>723</b>	<b>670</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(20)	(44)
Interest received	218	83
<b>Net cash provided by investing activities</b>	<b>198</b>	<b>39</b>
<b>Cash flows from financing activities</b>		
Finance lease repayments	(15)	--
<b>Net cash used in financing activities</b>	<b>(15)</b>	<b>--</b>
<b>Net increase in cash and cash equivalents</b>	<b>906</b>	<b>709</b>
Cash and cash equivalents at beginning of financial period	48,971	66,449
Effects of currency translation on cash and cash equivalents	828	(259)
<b>Cash and cash equivalents at end of financial period</b>	<b>50,705</b>	<b>66,899</b>

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

	<b>The Group</b>	
	<b>30.9.2014</b>	<b>30.9.2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash at bank and on hand	20,077	13,726
Short-term bank deposits	30,628	53,173
	50,705	66,899

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 S\$'000	Total Equity S\$'000
	Share capital	Capital redemption reserve	Fair value reserve	Currency translation reserve	Capital reduction reserve	Capital reserve	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
<b>Balance at 1.7.2014</b>	47,494	105	--	(6,016)	--	2,112	75,821	119,516	711	120,227
Total comprehensive income for the period	--	--	338	1,767	--	--	204	2,309	--	2,309
<b>Balance at 30.9.2014</b>	<b>47,494</b>	<b>105</b>	<b>338</b>	<b>(4,249)</b>	<b>--</b>	<b>2,112</b>	<b>76,025</b>	<b>121,825</b>	<b>711</b>	<b>122,536</b>
<b>Balance at 1.7.2013</b>	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)
<b>Balance at 30.9.2013</b>	<b>47,494</b>	<b>105</b>	<b>885</b>	<b>(5,494)</b>	<b>13,543</b>	<b>2,112</b>	<b>61,751</b>	<b>120,396</b>	<b>710</b>	<b>121,106</b>

**Statement of Changes in Equity – The Company**

	Share capital	Capital reduction reserve	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1.7.2014</b>	47,494	--	61,043	108,537
Total comprehensive income for the period	--	--	298	298
<b>Balance at 30.9.2014</b>	<b>47,494</b>	<b>--</b>	<b>61,341</b>	<b>108,835</b>
<b>Balance at 1.7.2013</b>	47,494	13,543	49,757	110,794
Total comprehensive income for the period	--	--	26	26
<b>Balance at 30.9.2013</b>	<b>47,494</b>	<b>13,543</b>	<b>49,783</b>	<b>110,820</b>

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

	30.9.2014	30.9.2013
	No. of Shares	No. of Shares
Issued Share Capital <i>(Note)</i>	405,522,724	405,522,724
Treasury Shares held	--	--
Shares to be issued pursuant to the conversion of all the outstanding convertibles	--	--

**Note**

	No. of Issued Shares
Balance at 1/7/2014	405,522,724
Movement in share capital	--
<b>Balance at 30/9/2014</b>	<b>405,522,724</b>

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.

	30.9.2014	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	
		30.9.2014	30.9.2013
(i)	Based on weighted average number of shares (cents)	0.05	0.22
	- Weighted average number of shares ('000 shares)	405,523	405,523
(ii)	On a fully diluted basis (cents)	0.05	0.22
	- Weighted average number of shares ('000 shares)	405,523	405,523

Earnings per ordinary share is computed based on the weighted average number of issued shares of 405,522,724 (30.9.2013: 405,522,724).

On a fully diluted basis, there were no outstanding convertibles during the financial periods ended 30 September 2013 and 2014.

**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	
	30.9.2014	30.6.2014	30.9.2014	30.6.2014
	cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	30.04	29.47	26.84	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

For the first quarter ended 30 September 2014, the Group registered a 40% growth in turnover to S\$7.6 million, from S\$5.4 million in the last corresponding quarter. Revenue from lime manufacturing increased from S\$5.4 million to S\$5.6 million, and scrap metal revenue amounted to S\$2.0 million with no revenue generated in the last corresponding quarter.

#### Earnings from business operations

During this quarter, the Group's earnings from business operations dropped from S\$0.91 million to S\$0.22 million, largely owing to a decline in lime earnings from S\$0.94 million to S\$0.59 million, as price hikes in limestone and consumables gave rise to higher production cost. Trading of scrap metal incurred a loss of S\$0.15 million, owing to increased operating expenditure brought about by a cost restructuring exercise within the Group. Expenditure for the property development division went up from S\$0.02 million to S\$0.22 million.

#### Net Earnings

Total expenses of the Group increased by 49% to S\$8.0 million, mainly due to higher prices and volume of inventories purchased, as well as increases in operational overheads. Tax expense of S\$0.12 million was incurred during this quarter, against an amount of S\$0.11 million written back for tax over-provision in the last corresponding quarter.

Consequently, net earnings of the Group reduced by 77% from S\$0.9 million to S\$0.2 million during this quarter.

#### Financial Position

The Group recorded a working capital of S\$64.7 million as at 30 September 2014, against S\$63.4 million as at 30 June 2014. The Group generated an operating cash inflow of S\$0.7 million and a translation gain of S\$0.8 million, primarily resulted in a cash balance increase of S\$1.7 million from S\$49.0 million to S\$50.7 million. Other than S\$1.4 million in expenditure incurred for the land during this quarter, there were no significant variances in cash flows of the Group between this and last corresponding quarters.

The Group's available-for-sale financial assets rose from S\$2.9 million as at 30 June 2014, to S\$3.1 million as at 30 September 2014, as the fair value of an investment was higher at quarter end. Trade and other receivables reduced from S\$12.3 million to S\$12.0 million. Inventories increased from S\$6.3 million to S\$6.7 million, following replenishment of stocks for lime production. Accordingly, trade and other payables went up from S\$3.9 million to S\$4.5 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.**

Uncertainties continue to drive the marketplace, which is exacerbated by inflationary cost pressure on the Group's operations. With the property market in China deteriorating further, the Company is reviewing all options available on the property development project in Yangzhou.

**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 2014.

**13. Interested Person Transactions (“IPTs”)**

For the financial period ended 30.9.2014		
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	--	--
Antara Steel Mills Sdn Bhd	--	1,989
Megasteel Sdn Bhd	--	--

**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 2014, to be false or misleading in any material aspects.

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

Tan Yen Hui  
Company Secretary

Singapore, 30 October 2014