



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 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					
	Second Quarter Ended			Half Year Ended		
	31.12.2014	31.12.2013	+ / (-)	31.12.2014	31.12.2013	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	6,498	9,762	(33)	14,122	15,196	(7)
Other gains – net	858	453	89	1,541	1,168	32
Expenses:						
Purchases of inventories	(4,416)	(6,826)	(35)	(9,675)	(10,236)	(5)
Employee compensation	(566)	(497)	14	(1,086)	(974)	11
Depreciation of property, plant and equipment	(617)	(583)	6	(1,244)	(1,171)	6
Finance expenses	(1)	(1)	--	(1)	(1)	--
Other operating expenses	(1,378)	(1,281)	8	(2,630)	(2,177)	21
Changes in inventories	(59)	64	n/m	(389)	71	n/m
Total expenses	(7,037)	(9,124)	(23)	(15,025)	(14,488)	4
Profit before income tax	319	1,091	(71)	638	1,876	(66)
Income tax credit/(expense)	76	(8)	n/m	(39)	100	n/m
Total profit	395	1,083	(64)	599	1,976	(70)
Profit attributable to:						
Equity holders of the Company	395	1,082	(63)	599	1,976	(70)
Non-controlling interests	--	1	n/m	--	--	--
	395	1,083	(64)	599	1,976	(70)

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		
	31.12.2014	31.12.2013	+ / (-)	31.12.2014	31.12.2013	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total profit	395	1,083	(64)	599	1,976	(70)
Other comprehensive income/(loss):						
Available-for-sale financial assets - fair value loss	(499)	(1,383)	(64)	(161)	(2,260)	(93)
Currency translation arising from consolidation	577	1,395	(59)	2,344	(213)	n/m
Other comprehensive income/(loss), net of tax	78	12	550	2,183	(2,473)	n/m
Total comprehensive income/(loss)	473	1,095	(57)	2,782	(497)	n/m
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	473	1,094	(57)	2,782	(497)	n/m
Non-controlling interests	--	1	n/m	--	--	--
	473	1,095	(57)	2,782	(497)	n/m

n/m - denotes not meaningful

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

	The Group			
	Second Quarter Ended		Half Year Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before income tax is arrived after (charging)/crediting:				
Currency exchange gain - net	146	146	211	102
Insurance	(38)	(19)	(79)	(52)
Listing expenses	(26)	(20)	(47)	(33)
Maintenance expenses	(32)	(51)	(87)	(107)
Material handling	(87)	(119)	(169)	(202)
Rental on operating lease	(96)	(81)	(192)	(190)
Utilities	(293)	(309)	(585)	(557)
Interest income:				
- bank deposits	165	92	315	162
- charged to related parties	86	58	154	134
Penalties received from related parties for shortfall on minimum purchases	488	197	837	751

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	
	31.12.2014	30.6.2014	31.12.2014	30.6.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	51,794	48,971	469	4,791
Trade and other receivables	10,809	12,323	70,627	65,434
Inventories	6,497	6,283	--	--
Other current assets	156	238	8	6
	69,256	67,815	71,104	70,231
Non-current assets				
Available-for-sale financial assets	2,260	2,908	--	--
Development property for sale	37,747	35,174	--	--
Investments in subsidiaries	--	--	38,758	38,753
Property, plant and equipment	19,930	21,740	504	567
	59,937	59,822	39,262	39,320
Total assets	129,193	127,637	110,366	109,551
LIABILITIES				
Current liabilities				
Trade and other payables	3,671	3,906	1,074	461
Finance lease payable	60	60	60	60
Current income tax liabilities	(190)	85	(169)	60
	3,541	4,051	965	581
Non-current liabilities				
Finance lease payable	180	210	180	210
Deferred income tax liabilities	2,870	3,149	223	223
	3,050	3,359	403	433
Total liabilities	6,591	7,410	1,368	1,014
NET ASSETS	122,602	120,227	108,998	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	(1,616)	(3,799)	--	--
Retained profits	76,014	75,821	61,504	61,043
	121,892	119,516	108,998	108,537
Non-controlling interests	710	711	--	--
TOTAL EQUITY	122,602	120,227	108,998	108,537

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

Amount repayable in one year or less, or on demand

The Group			
31.12.2014		30.6.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60	--	60	--

Amount repayable after one year

The Group			
31.12.2014		30.6.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
180	--	210	--

Details of any collateral

	The Group	
	31.12.2014	30.6.2014
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
Finance lease payable	60	60
Amount repayable after one year		
Finance lease payable	180	210

As at 31 December 2014, the Group's finance lease liabilities of S\$240,000 (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			
	Second Quarter Ended		Half Year Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	395	1,083	599	1,976
Adjustments for				
- Income tax (credit)/expense	(76)	8	39	(100)
- Depreciation	617	583	1,244	1,171
- Finance expenses	1	1	1	1
- Interest income	(251)	(150)	(469)	(296)
- Fixed assets written off	--	15	--	15
- Unrealised currency translation losses	2,100	1,605	3,161	510
	2,786	3,145	4,575	3,277
Changes in working capital				
- Trade and other receivables	955	(1,986)	1,305	(1,743)
- Inventories	424	595	(25)	757
- Other current assets	97	35,640	84	35,629
- Development property for sale	(1,177)	(36,429)	(2,573)	(36,429)
- Trade and other payables	(2,548)	(17,637)	(2,106)	(17,544)
Cash generated from/(used in) operations	537	(16,672)	1,260	(16,053)
Income tax paid	--	--	--	(13)
Net cash provided by/(used in) operating activities	537	(16,672)	1,260	(16,066)
Cash flows from investing activities				
Purchases of property, plant and equipment	--	--	(20)	(43)
Interest received	251	150	469	296
Net cash provided by investing activities	251	150	449	253
Cash flows from financing activities				
Interest paid	(1)	(1)	(1)	(1)
Finance lease repayments	(15)	--	(30)	--
Dividends paid to equity holders of the Company	(406)	(405)	(406)	(405)
Net cash used in financing activities	(422)	(406)	(437)	(406)
Net increase/(decrease) in cash and cash equivalents	366	(16,928)	1,272	(16,219)
Cash and cash equivalents at beginning of financial period	50,705	66,899	48,971	66,449
Effects of currency translation on cash and cash equivalents	723	192	1,551	(67)
Cash and cash equivalents at end of financial period	51,794	50,163	51,794	50,163

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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	4,977	10,335	4,977	10,335
Short-term bank deposits	46,817	39,828	46,817	39,828
	51,794	50,163	51,794	50,163

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	--	--	298	298
Balance at 30.9.2014	47,494	--	61,341	108,835
Total comprehensive income for the period	--	--	569	569
Dividends paid	--	--	(406)	(406)
Balance at 31.12.2014	47,494	--	61,504	108,998
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

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	Retained profits	Total		
	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 income for the period	--	--	338	1,767	--	--	204	2,309	--	2,309
Balance at 30.9.2014	47,494	105	338	(4,249)	--	2,112	76,025	121,825	711	122,536
Dividends paid	--	--	--	--	--	--	(406)	(406)	--	(406)
Total comprehensive (loss)/income for the period	--	--	(499)	577	--	--	395	473	(1)	472
Balance at 31.12.2014	47,494	105	(161)	(3,672)	--	2,112	76,014	121,892	710	122,602
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 (loss)/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

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.

	31.12.2014	31.12.2013
	No. of Shares	No. of Shares
Issued Share Capital (<i>Note A</i>)	405,522,724	405,522,724
Treasury Shares held	--	--
Shares that may be issued on conversion of all the outstanding convertibles (<i>Note B</i>)	--	--

Note A

	No. of Issued Shares
Balance at 1/10/2014	405,522,724
Movement in share capital	--
Balance at 31/12/2014	405,522,724

Note B

There were no outstanding convertibles during the financial periods ended 31 December 2013 and 31 December 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.

	31.12.2014	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 the applicable new and revised Financial Reporting Standards ("FRS") that became effective for financial year beginning on or after 1 July 2014. The adoption of these new and revised FRS 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	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
(i)	Based on weighted average number of shares (cents)	0.10	0.27	0.15	0.49
	Weighted average number of shares ('000 shares)	405,523	405,523	405,523	405,523
(ii)	On a fully diluted basis (cents)	0.10	0.27	0.15	0.49
	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 (31.12.2013: 405,522,724).

On a fully diluted basis, there were no outstanding convertibles during the financial periods ended 30 December 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	
	31.12.2014	30.6.2014	31.12.2014	30.6.2014
	cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	30.06	29.47	26.88	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 second quarter ended 31 December 2014, the Group's turnover reduced by 33% to S\$6.50 million, from S\$9.76 million in the last corresponding quarter. This was attributable to a decline in demand for lime products ("lime"), the sales of which decreased from S\$7.73 million to S\$5.68 million, as well as a drop in steel product consumables ("consumables") revenue from S\$2.03 million to S\$0.82 million.

On a six-month basis, turnover of the Group went down by 7% from S\$15.19 million to S\$14.12 million, given a fall in lime revenue from S\$13.16 million to S\$11.31 million, but consumables revenue increased marginally from S\$2.03 million to S\$2.81 million.

Earnings from business operations

The Group incurred an operational loss of S\$0.16 million during this second quarter, partly due to lime earnings decreasing from S\$1.05 million to S\$0.14 million as a result of higher production costs. In addition, a loss of S\$0.21 million was incurred by consumables trading because of increased operating expenses, and the expenditure for property development division ("property") amounted to S\$0.09 million.

During the six-month period, the Group's business operations turned in a loss of S\$0.28 million, compared with earnings of S\$1.44 million in the last corresponding six months. This was the result of a contraction in lime earnings from S\$1.44 million to S\$0.38 million, coupled with a loss of S\$0.36 million from consumables trading and a total expenditure of S\$0.31 million incurred by property.

Net Earnings

Due to tax adjustments, an income tax credit was recorded in this quarter, whereas a tax expense was provided for the six-month period; and *vice versa* for last corresponding periods.

During the second quarter, purchases of inventories reduced by 35% to S\$4.42 million in tandem with decreased sales volume, giving rise to a 23% reduction in total expenses of the Group to S\$7.04 million. Property has yet to generate any revenue and its expenditure went up from S\$0.02 million to S\$0.09 million. Accordingly, the Group's net earnings contracted by 63% to S\$0.40 million.

On a six-month basis, total expenses rose by S\$0.54 million to S\$15.03 million, mainly due to higher production costs, and expenditure from property grew from S\$0.04 million to S\$0.31 million. Bank interest income and currency exchange gain increased one-fold to S\$0.32 million and S\$0.21 million respectively. Consequently, net earnings of the Group reduced by 70% to S\$0.60 million.

Financial Position

The Group's financial position remained healthy, with a working capital of S\$65.56 million as at 31 December 2014, compared with S\$63.53 million as at 30 June 2014. Cash balance of the Group increased from S\$48.97 million as at 30 June 2014, to S\$51.79 million as at 31 December 2014, mainly attributable to S\$1.26 million in net cash generated by operating activities, as well as S\$0.47 million in bank interest received, but partially offset by S\$0.41 million in dividends paid to shareholders of the Company.

Trade and other payables of the Group reduced from S\$3.91 million as at 30 June 2014 to S\$3.67 million as at 31 December 2014, following payments to suppliers. Trade and other receivables declined from S\$12.32 million to S\$10.81 million, whereas inventories increased from S\$6.28 million to S\$6.50 million due to replenishment of stocks at quarter end. After taking into account payment for land related costs, development property for sale went up from S\$35.17 million to S\$37.75 million. Given the fall in market values of the Group's investments, available-for-sale financial assets decreased from S\$2.91 million to S\$2.26 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 is operating in a depressed environment, where rising costs and reducing demand, coupled with increasing supply of quicklime, continue to put pressure on its operations.

The property market in China is in a downturn, and hence the Group's property development project has been put on hold, whilst the Directors are exploring options to address the situation.

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 2014.

13. Interested Person Transactions (“IPTs”)

For the quarter ended 31.12.2014		
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	316	3,141
Antara Steel Mills Sdn Bhd	2,808	2,549
Megasteel Sdn Bhd	108	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 2014, to be false or misleading in any material aspects.

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

Tan Yen Hui
Company Secretary

Singapore, 9 February 2015