



# **LION ASIAPAC LIMITED**

(Registration No: 196800586R)

Unaudited Condensed Interim Financial Statements

For the fourth quarter and full year ended 30 June 2021

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**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

	The Group						
	Note	Fourth Quarter Ended			Full Year Ended		
		30.6.2021	30.6.2020	+/-	30.6.2021	30.6.2020	+/-
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	7	6,222	3,488	78	19,326	16,826	15
Other income	8	294	376	(22)	1,271	1,326	(4)
Other gains(losses) – net	9	275	(281)	n.m	1,075	1,087	(1)
Expenses:							
Purchases of inventories		(4,713)	(1,900)	148	(12,478)	(10,082)	24
Depreciation		(235)	(208)	13	(918)	(854)	7
Employee compensation		(600)	(477)	26	(2,160)	(2,129)	1
Finance costs		(26)	(31)	(16)	(103)	(103)	-
Other expenses	10	(1,214)	(1,360)	(11)	(5,074)	(5,340)	(5)
Changes in inventories		128	(164)	n.m	137	(51)	n.m
Total expenses		(6,660)	(4,140)	61	(20,596)	(18,559)	11
<b>Profit/(loss) before income tax</b>		<b>131</b>	<b>(557)</b>	n.m	<b>1,076</b>	<b>680</b>	58
Income tax expense	11	(35)	(50)	(30)	(139)	(139)	-
<b>Total profit/(loss)</b>		<b>96</b>	<b>(607)</b>	n.m	<b>937</b>	<b>541</b>	73
<b>Profit/(loss) attributable to:</b>							
Equity holders of the Company		96	(607)	n.m	937	541	73
		<b>96</b>	<b>(607)</b>	n.m	<b>937</b>	<b>541</b>	73

n.m - denotes not meaningful

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**A. Condensed interim consolidated statement of profit or loss and other comprehensive income (Cont'd)**

	The Group						
	Note	Fourth Quarter Ended			Full Year Ended		
		30.6.2021	30.6.2020	+/-	30.6.2021	30.6.2020	+/-
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Other comprehensive income:</b>							
<b>Items that may be reclassified to profit or loss:</b>							
Currency translation differences arising from consolidation		404	--	n.m	1,391	(49)	n.m
<b>Items that will not be reclassified to profit or loss:</b>							
Fair value changes on equity instruments at fair value through other comprehensive income	15	2,265	--	n.m	2,265	--	n.m
<b>Other comprehensive income/(loss), net of tax</b>		<b>2,669</b>	--	n.m	<b>3,656</b>	<b>(49)</b>	n.m
<b>Total comprehensive income/(loss)</b>		<b>2,765</b>	<b>(607)</b>	n.m	<b>4,593</b>	<b>492</b>	834
Total comprehensive income/(loss) attributable to:							
Equity holders of the Company		2,765	(607)	n.m	4,593	492	834
		<b>2,765</b>	<b>(607)</b>	n.m	<b>4,593</b>	<b>492</b>	834
<b>Earnings/(losses) per share</b>							
Basic and diluted earnings/(losses) per share (cents)	12	<b>0.12</b>	<b>(0.75)</b>		<b>1.16</b>	<b>0.67</b>	

n.m - denotes not meaningful

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**B. Condensed interim statements of financial position**

	Note	The Group		The Company	
		30.6.2021	30.6.2020	30.6.2021	30.6.2020
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	17	64,206	65,052	10,044	10,318
Trade and other receivables	16	6,212	4,588	23	81
Inventories		4,702	3,326	--	--
Other non-financial assets		356	352	1	3
		<b>75,476</b>	<b>73,318</b>	<b>10,068</b>	<b>10,402</b>
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income	15	2,265	--	--	--
Investments in subsidiaries		--	--	63,497	61,115
Property, plant and equipment	14	2,393	2,289	--	--
Rights-of-use assets		1,277	1,222	--	--
		<b>5,935</b>	<b>3,511</b>	<b>63,497</b>	<b>61,115</b>
<b>Total assets</b>		<b>81,411</b>	<b>76,829</b>	<b>73,565</b>	<b>71,517</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		2,267	2,372	1,246	1,252
Income tax payables		73	68	--	--
Lease liabilities		169	71	--	--
Provision		413	415	--	--
		<b>2,922</b>	<b>2,926</b>	<b>1,246</b>	<b>1,252</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		224	224	224	224
Lease liabilities		1,181	1,188	--	--
		<b>1,405</b>	<b>1,412</b>	<b>224</b>	<b>224</b>
<b>Total liabilities</b>		<b>4,327</b>	<b>4,338</b>	<b>1,470</b>	<b>1,476</b>
<b>NET ASSETS</b>		<b>77,084</b>	<b>72,491</b>	<b>72,095</b>	<b>70,041</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	18	47,494	47,494	47,494	47,494
Other reserves		(4,464)	(8,120)	--	--
Retained earnings		34,054	33,117	24,601	22,547
<b>Total equity</b>		<b>77,084</b>	<b>72,491</b>	<b>72,095</b>	<b>70,041</b>

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**C. Condensed interim statements of changes in equity**

**Consolidated Statement of Changes in Equity – The Group**

	Attributable to equity holders of the Company						
	Share capital	Fair value reserve	Currency translation reserve	Capital reserve	Statutory Reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1.7.2020</b>	<b>47,494</b>	--	<b>(10,412)</b>	<b>2,112</b>	<b>180</b>	<b>33,117</b>	<b>72,491</b>
Total comprehensive income for the year	--	2,265	1,391	--	--	937	4,593
<b>Balance at 30.6.2021</b>	<b>47,494</b>	<b>2,265</b>	<b>(9,021)</b>	<b>2,112</b>	<b>180</b>	<b>34,054</b>	<b>77,084</b>
<b>Balance at 1.7.2019</b>	<b>47,494</b>	<b>(119)</b>	<b>(10,363)</b>	<b>2,112</b>	<b>180</b>	<b>37,155</b>	<b>76,459</b>
Transfer to retained earnings	--	119	--	--	--	(119)	--
Total comprehensive (loss)/income for the year	--	--	(49)	--	--	541	492
Dividend paid	--	--	--	--	--	(4,460)	(4,460)
<b>Balance at 30.6.2020</b>	<b>47,494</b>	--	<b>(10,412)</b>	<b>2,112</b>	<b>180</b>	<b>33,117</b>	<b>72,491</b>

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**C. Condensed interim statements of changes in equity (Cont'd)**

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

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 1.7.2020</b>	<b>47,494</b>	<b>22,547</b>	<b>70,041</b>
Total comprehensive income for the year	--	2,054	2,054
<b>Balance at 30.6.2021</b>	<b>47,494</b>	<b>24,601</b>	<b>72,095</b>
<b>Balance at 1.7.2019</b>	<b>47,494</b>	<b>26,779</b>	<b>74,273</b>
Total comprehensive income for the year	--	228	228
Dividends	--	(4,460)	(4,460)
<b>Balance at 30.6.2020</b>	<b>47,494</b>	<b>22,547</b>	<b>70,041</b>

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**D. Condensed interim consolidated statement of cash flows**

	Note	The Group	
		Full Year Ended	
		30.6.2021	30.6.2020
		S\$'000	S\$'000
<b><u>Cash flows from operating activities</u></b>			
Profit before tax		1,076	680
Adjustments for :			
- Depreciation of property, plant and equipment		715	647
- Depreciation of right-of-use assets		203	207
- Property, plant and equipment written off		9	216
- Reversal of impairment loss on property, plant and equipment		(963)	--
- Impairment loss on property, plant and equipment		963	--
- Reversal for impairment loss on trade receivables		--	(758)
- Interest income		(1,010)	(1,115)
- Interest expense		103	103
- Unrealised currency translation gains		(387)	(28)
<b>Operating cash flows before changes in working capital</b>		<b>709</b>	<b>(48)</b>
- Trade and other receivables		(1,729)	1,109
- Inventories		(1,405)	980
- Other non-financial assets		(8)	(12)
- Trade and other payables		(101)	136
<b>Net cash (used in)/generated from operations</b>		<b>(2,534)</b>	<b>2,165</b>
Income tax paid		(23)	(51)
<b>Net cash (used in)/generated from operating activities</b>		<b>(2,557)</b>	<b>2,114</b>
<b><u>Cash flows from investing activities</u></b>			
Purchases of property, plant and equipment		(851)	(453)
Interest received		517	555
Cash subjected to foreign exchange control		--	2,660
<b>Net cash (used in)/from investing activities</b>		<b>(334)</b>	<b>2,762</b>
<b><u>Cash flows from financing activities</u></b>			
Interest paid		(103)	(103)
Repayment of lease liabilities – principal portion		(155)	(171)
Dividends paid to equity holders of the Company		--	(4,460)
<b>Net cash used in financing activities</b>		<b>(258)</b>	<b>(4,734)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,149)</b>	<b>142</b>
Cash and cash equivalents at beginning of financial period		32,175	31,925
Effects of currency translation on cash and cash equivalents		47	108
<b>Cash and cash equivalents at end of financial period</b>	17	<b>29,073</b>	<b>32,175</b>



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**E. Notes to the condensed interim consolidated financial statements**

**1. General**

The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore with limited liabilities. The address of its registered office is 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957. The financial statements are presented in Singapore dollars and they cover the Company (referred to as “parent”) and the subsidiaries.

The principal activities of the Group are:

- (a) Lime manufacturing;
- (b) Trading of steel consumables; and
- (c) Investment holding.

The condensed interim financial statements for the twelve months ended 30 June 2021 have not been audited or reviewed.

**2. Basis of preparation**

The condensed interim financial statements for the twelve months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

**2.1. New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**2.2. Critical judgements, assumptions and estimation uncertainties**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**2.2. Critical judgements, assumptions and estimation uncertainties (Cont'd)**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 14 – Assessment of impairment loss on property, plant and equipment
- Note 16 – Assessment of expected loss on trade receivable

**3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**4. Related party transactions**

	<u>Fourth quarter ended</u>		<u>Full year ended</u>	
	<u>30.6.2021</u>	<u>30.6.2020</u>	<u>30.6.2021</u>	<u>30.6.2020</u>
	<b>S\$'000</b>	S\$'000	S\$'000	S\$'000
<u>Significant related party transactions:</u>				
Revenue received/receivable	<b>2,730</b>	609	<b>5,013</b>	2,266
Purchase of goods	<b>22</b>	17	<b>164</b>	61
Rental paid/payable	<b>30</b>	30	<b>119</b>	120

Related parties are entities that are controlled by Tan Sri Cheng Heng Jem.

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**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**5. Financial information by operating segments**

The segments and the types of products and services are as follows:

- a) Manufacturing of lime – manufacturing and sales of quicklime, hydrated lime and quicklime powder.
- b) Trading of steel consumables – trading of consumable required for steel product manufacturing.
- c) Investment holding/others – managing investments

The Group	Lime manufacturing	Consumables trading	Investment holding	Total for continuing operations
	\$'000	\$'000	\$'000	\$'000
<b>Financial year ended 30 June 2021</b>				
<b>Revenue</b>	17,130	2,196	--	19,326
<b>Segment result</b>	--	(757)	(513)	(1,270)
Other income	135	412	724	1,271
Other gains - net	253	--	822	1,075
Profit before income tax				1,076
Income tax expense				(139)
<b>Total profit</b>				937
<b>Non-cash expenses</b>				
Depreciation – segment	773	138	7	918
<b>Reportable segment assets and consolidated total assets</b>	18,031	15,679	47,701	81,411
<b>Reportable segment liabilities</b>	3,166	325	612	4,103
Unallocated:				
Deferred tax liabilities				224
<b>Consolidated total liabilities</b>				4,327
<b>Other reportable segment item</b>				
Capital expenditure	841	10	--	851

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**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**5. Financial information by operating segments (Cont'd)**

The Group	Lime manufacturing	Consumables trading	Investment holding	Total for continuing operations
	\$'000	\$'000	\$'000	\$'000
<b>Financial year ended 30 June 2020</b>				
<b>Revenue</b>	16,826	--	--	16,826
<b>Segment result</b>	(179)	(915)	(639)	(1,733)
Other income	95	448	783	1,326
Other gains - net	409	678	--	1,087
Profit before income tax				680
Income tax expense				(139)
<b>Total profit</b>				541
<b>Non-cash expenses</b>				
Depreciation – segment	708	139	7	854
<b>Reportable segment assets and consolidated total assets</b>	17,843	15,462	43,524	76,829
<b>Reportable segment liabilities</b>	3,274	204	636	4,114
Unallocated:				
Deferred tax liabilities				224
<b>Consolidated total liabilities</b>				4,338
<b>Other reportable segment item</b>				
Capital expenditure	453	--	--	453

**Geographical information**

As at 30 June 2021, the Group's three business segments operated in three main geographical areas:

- Malaysia – the main activity is sales of lime and trading of steel consumables;
- Australia – the main activity is investment holding.
- Singapore – the main activity is investment holding.

	<b>Revenue</b>		<b>Non-current assets</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Malaysia	<b>18,543</b>	16,035	<b>3,487</b>	3,445
Australia	--	--	<b>2,265</b>	--
Singapore	<b>783</b>	791	<b>183</b>	66
	<b>19,326</b>	16,826	<b>5,935</b>	3,511

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**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**5. Financial information by operating segments (Cont'd)**

**A breakdown of sales**

	<b>Group</b>		
	<b>Latest Financial Year (30.6.2021)</b>	<b>Previous Financial Year (30.6.2020)</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
(a) Sales reported for first half year	<b>8,968</b>	9,139	(2)
(b) Operating profit after tax before deducting minority interests reported for first half year	<b>606</b>	405	50
(c) Sales reported for second half year	<b>10,358</b>	7,687	35
(d) Operating profit after tax before deducting minority interests reported for second half year	<b>331</b>	136	n.m

**6. Financial assets and financial liabilities**

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>Group</u>		<u>Company</u>	
	<u>2021</u> <b>S\$'000</b>	<u>2020</u> S\$'000	<u>2021</u> <b>S\$'000</b>	<u>2020</u> S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	<b>70,418</b>	69,640	<b>10,067</b>	10,399
Financial assets at fair value through other comprehensive income	<b>2,265</b>	--	--	--
At end of the year	<b><u>72,683</u></b>	<u>69,640</u>	<b><u>10,067</u></b>	<u>10,399</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<b>3,617</b>	3,631	<b>1,246</b>	1,252
At end of the year	<b><u>3,617</u></b>	<u>3,631</u>	<b><u>1,246</u></b>	<u>1,252</u>

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**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**7. Revenue**

Revenue from contracts with customers

	<u>Fourth quarter ended</u>		<u>Full year ended</u>	
	<u>30.6.2021</u>	<u>30.6.2020</u>	<u>30.6.2021</u>	<u>30.6.2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Sales	<u>6,222</u>	<u>3,488</u>	<u>19,326</u>	<u>16,826</u>

**8. Other income**

	<u>Fourth quarter ended</u>		<u>Full year ended</u>	
	<u>30.6.2021</u>	<u>30.6.2020</u>	<u>30.6.2021</u>	<u>30.6.2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Interest income	228	274	1,010	1,115
Management fee income	3	3	12	12
Government grants	8	69	76	69
Rental recharged	24	24	94	96
Others	31	6	79	34
	<u>294</u>	<u>376</u>	<u>1,271</u>	<u>1,326</u>

**9. Other gains/(losses) - net**

	<u>Fourth quarter ended</u>		<u>Full year ended</u>	
	<u>30.6.2021</u>	<u>30.6.2020</u>	<u>30.6.2021</u>	<u>30.6.2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Penalties received for shortfall on minimum purchase – related parties	46	19	269	338
Reversal for impairment loss on trade receivables – related parties	--	--	--	758
Reversal of impairment loss on property, plant and equipment	963	--	963	--
Impairment loss on property, plant and equipment	(963)	--	(963)	--
Foreign exchange gains/(losses), net	229	(300)	806	(9)
	<u>275</u>	<u>(281)</u>	<u>1,075</u>	<u>1,087</u>

**10. Other expenses**

The major and other selected components include the following:

	<u>Fourth quarter ended</u>		<u>Full year ended</u>	
	<u>30.6.2021</u>	<u>30.6.2020</u>	<u>30.6.2021</u>	<u>30.6.2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Maintenance expense	109	111	363	313
Material handling	103	77	359	340
Transportation expense	491	517	2,199	2,370
Utilities	292	313	1,192	1,145

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**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**11. Income tax**

The major and other selected components include the following:

	<u>Fourth quarter ended</u>		<u>Full year ended</u>	
	<u>30.6.2021</u> <u>S\$'000</u>	<u>30.6.2020</u> <u>S\$'000</u>	<u>30.6.2021</u> <u>S\$'000</u>	<u>30.6.2020</u> <u>S\$'000</u>
Current income tax expense	41	50	145	139
Over adjustment in prior year	(6)	--	(6)	--
	<u>35</u>	<u>50</u>	<u>139</u>	<u>139</u>

**12. Earnings/(losses) per share**

	<u>Fourth quarter ended</u>		<u>Full year ended</u>	
	<u>30.6.2021</u>	<u>30.6.2020</u>	<u>30.6.2021</u>	<u>30.6.2020</u>
Profit/(loss), net of tax attributable to owners of the Company (S\$'000)	96	(607)	937	541
Weighted average number of ordinary shares ('000)	81,105	81,105	81,105	81,105
Earnings/(losses) per share (cents)	<u>0.12</u>	<u>(0.75)</u>	<u>1.16</u>	<u>0.67</u>

The diluted earnings/(losses) per share is the same as the basic earnings/(losses) per share as there were no share options outstanding (2020: Nil).

**13. Net asset value**

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2021</u> <u>S\$'000</u>	<u>30.6.2020</u> <u>S\$'000</u>	<u>30.6.2021</u> <u>S\$'000</u>	<u>30.6.2020</u> <u>S\$'000</u>
Net asset value per ordinary share	<u>95.04</u>	<u>89.38</u>	<u>88.89</u>	<u>86.36</u>

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**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**14. Property, plant and equipment**

The Group engaged an external valuation expert, Roma Appraisals Limited (“ROMA”), to support management’s assessment of the valuation for property, plant and equipment (“PPE”) held by the subsidiary, Compact Energy Sdn. Bhd. (“Compact”) for the reporting year ended 30 June 2021.

The Group considered both the market approach and cost approach (depreciated replacement cost method) in determining fair value less cost of disposal (“FVLCOD”). It was determined that cost approach is more appropriate, given the unique specifications and nature of the PPE.

The cost approach considers the cost to reproduce, in new condition, the appraised assets in accordance with current market prices for assets, with allowance for depreciation arising from condition, utility, age, wear and tear or obsolescence present, taking into consideration past and present maintenance policy and rebuilding history. This approach generally furnishes a reliable indication of value for the assets in the absence of known market based on comparable sales. Due to the unobservable inputs, it is classified as a level 3 fair value.

As recoverable amount is based on the higher of fair value less costs of disposal and value-in-use, management adopted the fair value less costs of disposal as the valuation technique for the PPE in both 2021 and 2020. During the reporting year, as there were continued improvements to the operational profitability of certain plant and equipment, the group reversed impairment loss of S\$963,000 (2020: Nil) to the adjusted carrying amount (net of depreciation) of the plant and equipment concerned as if there was no impairment recognised in prior years. On the other hand, the Group fully impaired its quicklime plant Kiln#2 by S\$963,000 to a carrying value of Nil as Kiln#2 was not used for production during the reporting year and management is of the view Kiln#2 will not be in operation in the foreseeable future.

Key assumptions and inputs used to determine the recoverable amount based on FVLCOD:

1. The assets are kept in reasonable condition and capable of operating for the purpose for which they are designed and produced.
2. The useful lives of the assets are appropriate.
3. Inflation rate used to adjust the historical information.

During the reporting year, there were additions in property plant and equipment of S\$851,000.

**15. Financial assets at fair value through other comprehensive income**

	<u>Group</u>	
	<u>30.6.2021</u>	<u>30.6.2020</u>
	S\$'000	S\$'000
Movements during the year:		
Fair value at beginning of the year	--	--
Increase in fair value through other comprehensive income	<u>2,265</u>	<u>--</u>
Fair value at end of the year	<u>2,265</u>	<u>--</u>

Financial assets at fair value through other comprehensive income pertain to the quoted shares the group holds in Mindex Limited, listed on Australian Securities Exchange (“ASE”). In prior year, Mindax Limited was suspended from trading and fully impaired. The suspension in trading of the ASE was lifted in the current reporting year and the shares re-commenced on the ASE trading. The group accordingly recognised a fair value gain through other comprehensive income. The equity investment is classified as level 1 in the fair value hierarchy since it is traded in active market.



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**16. Trade and other receivables**

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance is based on the individual assessment of the large balances and the use of a matrix for the smaller balances based on its historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined as follows for trade receivables:

Aging analysis of trade receivables that are past due:

<u>Group</u>	<u>Gross amount</u>	<u>Loss allowance</u>
	S\$'000	S\$'000
<b><u>2021:</u></b>		
1 to 30 days past due	<b>514</b>	--
31 to 60 days past due	<b>379</b>	--
61 to 90 days past due	<b>287</b>	--
Over 90 days past due	<b>164</b>	<b>9</b>
Total	<b><u>1,344</u></b>	<b><u>9</u></b>
	<u>Gross amount</u>	<u>Loss allowance</u>
	S\$'000	S\$'000
<b><u>2020:</u></b>		
1 to 30 days past due	577	--
31 to 60 days past due	498	--
61 to 90 days past due	322	--
Over 90 days past due	628	9
Total	<b><u>2,025</u></b>	<b><u>9</u></b>

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, for the individual larger balances an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting customer credit limits, different credit terms are used. The credit period granted to trade customers ranged from 30 to 90 days (2020: 30 to 90 days). But some customers take a longer period to settle the amounts.

At the end of the reporting year, the loss allowance is amounted to S\$9,000 (2020: S\$9,000).

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**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**17. Cash and cash equivalents**

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2021</u> <u>S\$'000</u>	<u>30.6.2020</u> <u>S\$'000</u>	<u>30.6.2021</u> <u>S\$'000</u>	<u>30.6.2020</u> <u>S\$'000</u>
Cash at bank and on hand	3,533	4,785	531	951
Fixed deposits	60,673	60,267	9,513	9,367
Cash at end of the year	<u>64,206</u>	<u>65,052</u>	<u>10,044</u>	<u>10,318</u>

Cash and cash equivalents in the statement of cash flows:

	<u>Group</u>	
	<u>30.6.2021</u> <u>S\$'000</u>	<u>30.6.2020</u> <u>S\$'000</u>
Amount as shown above	64,206	65,052
Cash subjected to foreign exchange control	(35,133)	(32,877)
Cash and cash equivalents in the statement of cash flows	<u>29,073</u>	<u>32,175</u>

**18. Share capital**

	<u>Number of shares issued</u>	<u>Share capital S\$'000</u>
<b>Issued share capital</b>		
Balances as 30.6.2020, 31.3.2021 and 30.6.2021	<u>81,104,539</u>	<u>47,494</u>
<b>Treasury shares</b>		
Balances as 30.6.2020 and 30.6.2021	<u>--</u>	<u>--</u>
<b>Total number of issued shares excluding treasury shares</b>		
Balances as 30.6.2020 and 30.6.2021	<u>81,104,539</u>	<u>47,494</u>

**19. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

**Other information Required by Listing Rule  
Appendix 7.2**

**F. Other information required by Listing Rule Appendix 7.2**

**1. Review of the performance of the group**

Turnover and Net Earnings

Quarter on quarter, the Group's revenue increased by S\$2.7m or 78% from S\$3.5m to S\$6.2m, primarily owing to a revenue of S\$2.2m booked in steel consumables trading.

Included in Other gains/(losses) – net, is a reversal of impairment loss S\$963k on property, plant and equipment owing to improvements to the operational profitability of certain plant and equipment, and an impairment loss of S\$963k was made to the quick lime Klin#2 which was not used for production during the reporting year. Overall, other gains/(losses) net, recorded a S\$0.3m gain for the quarter, largely due to a S\$0.2m foreign currency translation gain, against a S\$0.3m loss in the corresponding quarter.

The other expenses decreased by S\$0.1m with the termination of the relocation. Net earnings for the quarter stood at S\$0.1m, compared to S\$0.6m loss in the corresponding quarter.

For the full year, lime manufacturing managed to breakeven compared to S\$0.2m loss last year, mainly owing to lesser project cost with the termination of the relocation. With reduced headcount costs this year, loss from steel consumables trading reduced by S\$0.2m.

The group's net earnings increased by S\$0.4m to S\$0.9m for the year.

Cash Flow and Financial Position

The Group's working capital stood at S\$72.2m, an increase of S\$1.8m, year on year, largely due to the addition of inventories of S\$1.4m, and increased trade and other receivables of S\$1.7m.

Financial assets at fair value through other comprehensive income relate to the equity shares in Mindax Limited. As at 30 June 2021, the shares were traded at AUD 0.07.

Trade and other payable, leased liabilities, provisions remained largely unchanged.

Cash in operating activities amounted to S\$2.6m, was mainly used in the increase in both inventories and trade and other receivables, S\$0.8m was also deployed in purchasing property, plant and equipment. Interest income of S\$0.8m was received during the year. The appreciated Renminbi has increased cash balances by S\$2.2m. In summary, the group's cash balances reduced by S\$0.8m from S\$65.0m to S\$64.2m as at year end.

**2. Where a forecast, or a prospectus statement, has been previously disclosed to shareholders, any variances between it and the actual results**

No forecast has been issued.

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**F. Other information required by Listing Rule Appendix 7.2 (Cont'd)**

**3. 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 operating period and the next 12 months**

The Group operations are subject to the market conditions and challenges of the steel industry. Headwinds are expected to persist under current market uncertainties. The Group will exercise caution to navigate these challenges.

**4. Dividend**

**(a) Current Financial Period Reported On**

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	1 cent
Tax Rate	Tax-Exempt One-Tier

**(b) Corresponding Period of the Immediately Preceding Financial Year**

None.

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

**5. If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

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**F. Other information required by Listing Rule Appendix 7.2 (Cont'd)**

**6. Interested person transactions**

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

<b>For the financial year ended 30.6.2021</b>		
<b>Name of Interested Person</b>	<b>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)</b>	<b>Aggregate value of all IPTs conducted under IPT Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Associate of Tan Sri Cheng Heng Jem, a Director and a Substantial Shareholder of the Company		
<u>Sales of lime products</u>		
Amsteel Mills Sdn Bhd	--	2,817
<u>Sales of steel consumables</u>		
Amsteel Mills Sdn Bhd	--	2,196

**7. Use of proceeds**

Not applicable.

**8. 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 fourth quarter and twelve months ended 30 June 2021, to be false or misleading in any material aspects.

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**F. Other information required by Listing Rule Appendix 7.2 (Cont'd)**

**9. Confirmation pursuant to rule 704(13) of the Listing Manual**

The Company confirms that there is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

**10. Confirmation pursuant to rule 720(1) of the 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 under Rule 720(1) of the Listing Manual of the SGX-ST.

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

Lah Ling San  
Company Secretary

Singapore, 27 September 2021