


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 2017**
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		
	31.3.2017	31.3.2016	+ / (-)	31.3.2017	31.3.2016	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	2,127	2,136	--	5,922	8,988	(34)
Other gains – net	656	549	19	1,511	2,194	(31)
Expenses:						
Purchases of inventories	(1,282)	(1,467)	(13)	(3,718)	(6,160)	(40)
Employee compensation	(430)	(411)	5	(1,257)	(1,326)	(5)
Depreciation of property, plant and equipment	(308)	(335)	(8)	(1,047)	(990)	6
Other operating expenses	(875)	(660)	33	(2,498)	(2,523)	(1)
Changes in inventories	(45)	95	n/m	46	318	(86)
Total expenses	(2,940)	(2,778)	6	(8,474)	(10,681)	(21)
(Loss)/profit before income tax	(157)	(93)	69	(1,041)	501	n/m
Income tax credit/(expense)	542	(274)	n/m	915	(28)	n/m
Total profit/(loss)	385	(367)	n/m	(126)	473	n/m
Profit/(loss) attributable to:						
Equity holders of the Company	387	(368)	n/m	(125)	474	n/m
Non-controlling interests	(2)	1	n/m	(1)	(1)	--
	385	(367)	n/m	(126)	473	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					
	Third Quarter Ended			Nine Months Ended		
	31.3.2017	31.3.2016	+ / (-)	31.3.2017	31.3.2016	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total profit/(loss)	385	(367)	n/m	(126)	473	n/m
Other comprehensive (loss)/income:						
Available-for-sale financial assets						
- fair value gain	274	49	n/m	303	(33)	n/m
- currency translation arising from consolidation	(1,032)	15	n/m	(1,214)	(1,923)	(37)
Other comprehensive (loss)/income, net of tax	(758)	64	n/m	(911)	(1,956)	(53)
Total comprehensive loss	(373)	(303)	23	(1,037)	(1,483)	(30)
Total comprehensive loss attributable to:						
Equity holders of the Company	(373)	(304)	23	(1,037)	(1,482)	(30)
Non-controlling interests	--	1	n/m	--	(1)	n/m
	(373)	(303)	23	(1,037)	(1,483)	(30)

n/m - denotes not meaningful

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

	The Group			
	Third Quarter Ended		Nine Months Ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Profit/(loss) before income tax is arrived after (charging)/crediting:				
Currency exchange (losses)/gains - net	7	(84)	10	(219)
Depreciation	(308)	(335)	(1,047)	(990)
Impairment loss on available-for-sale financial assets	--	--	(77)	--
Insurance	(30)	(34)	(88)	(95)
Listing expenses	(12)	(12)	(58)	(50)
Maintenance expenses	(35)	(40)	(85)	(159)
Material handling	(57)	(29)	(163)	(128)
Professional fee	(38)	(62)	(38)	(86)
Rental on operating lease	(50)	(22)	(156)	(299)
Transportation	(193)	(155)	(525)	(769)
Utilities	(297)	(168)	(788)	(720)
Interest income				
- bank deposits	175	129	507	600
- charged to related parties	19	111	57	308
Shortfall claims on minimum purchases from related parties	--	383	34	1,497

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	
	31.3.2017	30.6.2016	31.3.2017	30.6.2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	50,574	50,128	481	398
Trade and other receivables	3,390	3,724	68,855	68,361
Inventories	5,473	5,953	--	--
Income tax receivables	123	118	79	75
Other current assets	265	304	12	3
Deferred tax assets	996	--	--	--
	60,821	60,227	69,427	68,837
Non-current assets				
Available-for-sale financial assets	446	208	--	--
Development property for sale	36,480	36,438	--	--
Investments in subsidiaries	--	--	337	502
Property, plant and equipment	7,486	9,016	221	315
	44,412	45,662	558	817
Total assets	105,233	105,889	69,985	69,654
LIABILITIES				
Current liabilities				
Trade and other payables	2,857	1,890	1,154	1,155
Finance lease payables	60	60	60	60
Provision	36,104	36,104	--	--
	39,021	38,054	1,214	1,215
Non-current liabilities				
Finance lease payables	45	90	45	90
Deferred income tax liabilities	224	226	224	223
	269	316	269	313
Total liabilities	39,290	38,370	1,483	1,528
NET ASSETS	65,943	67,519	68,502	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	(6,235)	(5,324)	--	--
Retained profits	24,684	25,215	21,008	20,632
	65,943	67,385	68,502	68,126
Non-controlling interests	--	134	--	--
TOTAL EQUITY	65,943	67,519	68,502	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			
31.3.2017		30.6.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60	--	60	--

Amount repayable after one year

The Group			
31.3.2017		30.6.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
45	--	90	--

Details of any collateral

	The Group	
	31.3.2017	30.6.2016
	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	45	90

As at 31 March 2017, the Group's finance lease liabilities of S\$105,000 (30 June 2016: S\$165,000) 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	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit/(loss)	385	(367)	(126)	473
Adjustments for				
- Income tax (credit)/expenses	(542)	274	(915)	28
- Depreciation	308	335	1,047	990
- Impairment loss on available-for-sale financial assets	--	--	78	--
- Reversal of impairment loss on trade receivables - net	(437)	--	(865)	--
- Interest income	(194)	(240)	(564)	(908)
- Fixed assets written off	69	--	71	20
- Loss on disposal of property, plant and equipment	--	--	1	15
- Unrealised currency translation gains	(27)	(488)	(37)	(409)
	(438)	(486)	(1,310)	209
Changes in working capital				
- Trade and other receivables	641	833	1,164	1,538
- Inventories	(65)	846	151	657
- Other current assets	84	210	37	264
- Development property for sale	(12)	(17)	(42)	(326)
- Trade and other payables	202	(1,017)	1,046	(1,467)
Cash generated from operations	412	369	1,046	875
Income tax (paid)/refund	(4)	99	(110)	(189)
Net cash generated from operating activities	408	468	936	686
Cash flows from investing activities				
Purchases of property, plant and equipment	(11)	(107)	(112)	(185)
Interest received	266	240	396	908
Net cash generated from investing activities	255	133	284	723
Cash flows from financing activities				
Distribution to non-controlling interests arising from reduction of capital of a subsidiary	(134)	--	(134)	(583)
Finance lease repayments	(15)	(15)	(45)	(45)
Dividends paid to equity holders of the Company	--	--	(405)	(406)
Net cash used in financing activities	(149)	(15)	(584)	(1,034)
Net increase in cash and cash equivalents	514	586	636	375
Cash and cash equivalents at beginning of financial period	50,797	51,393	50,128	51,817
Effects of currency translation on cash and cash equivalents	(737)	(943)	(190)	(1,156)
Cash and cash equivalents at end of financial period	50,574	51,036	50,574	51,036

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	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	3,754	5,139	3,754	5,139
Short-term bank deposits	46,820	45,897	46,820	45,897
	50,574	51,036	50,574	51,036

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	Retained profits	Total
	S\$'000	S\$'000	S\$'000
Balance at 1.7.2016	47,494	20,632	68,126
Total comprehensive income for the period	--	1,289	1,289
Dividends	--	(405)	(405)
Balance at 31.12.2016	47,494	21,516	69,010
Total comprehensive loss for the period	--	(508)	(508)
Balance at 31.3.2017	47,494	21,008	68,502
Balance at 1.7.2015	47,494	22,257	69,751
Total comprehensive income for the period	--	876	876
Dividends	--	(406)	(406)
Balance at 31.12.2015	47,494	22,727	70,221
Total comprehensive income for the period	--	(916)	(916)
Balance at 31.3.2016	47,494	21,811	69,305

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

Consolidated Statement of Changes in Equity – The Group

	Attributable to Equity Holders of the Company								Non-Controlling Interests	Total
	Share Capital	Capital Redemption Reserve	Statutory Reserve	Currency Translation Reserve	Capital Reserve	Fair Value Reserve	Retained Profits	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	--	--	--	(182)	--	29	(511)	(664)	--	(664)
Dividend paid	--	--	--	--	--	--	(405)	(405)	--	(405)
Balance at 31.12.2016	47,494	105	180	(7,903)	2,112	29	24,299	66,316	134	66,450
Total comprehensive income/(loss) for the period	--	--	--	(1,032)	--	274	385	(373)	--	(373)
Distributions from cancellation of shares by a subsidiary	--	--	--	--	--	--	--	--	(134)	(134)
Balance at 31.3.2017	47,494	105	180	(8,935)	2,112	303	24,684	65,943	--	65,943
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	--	--	--	(1,938)	--	(82)	842	(1,178)	(2)	(1,180)
Distributions from cancellation of shares by a subsidiary	--	--	--	--	--	--	--	--	(583)	(583)
Dividend paid	--	--	--	--	--	--	(406)	(406)	--	(406)
Balance at 31.12.2015	47,494	105	180	(6,139)	2,112	(82)	28,296	71,966	133	72,099
Total comprehensive income/(loss) for the period	--	--	--	15	--	49	(368)	(304)	1	(303)
Balance at 31.3.2016	47,494	105	180	(6,124)	2,112	(33)	27,928	71,662	134	71,796

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.

	31.3.2017	31.3.2016
	No. of Shares	No. of Shares
Issued Share Capital (Note A)	81,104,539	81,104,539
Treasury Shares held	--	--
Shares to be issued pursuant to the exercise of all the outstanding convertibles (Note B)	--	--

Note A

	No. of Shares
Balance at 31/12/2016	81,104,539
Movement in share capital	--
Balance at 31/3/2017	81,104,539

Note B

There were no unissued ordinary shares for the financial periods ended 31 March 2017 and 31 March 2016.

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.

	31.3.2017	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.**

(Losses)/earnings per ordinary share of the Group for the financial period based on net (loss)/profit attributable to shareholders:

		The Group			
		Third Quarter Ended		Nine Months Ended	
		31.3.2017	31.3.2016	31.3.2017	31.3.2016
a)	Based on weighted average number of shares (cents)	0.47	(0.45)	(0.16)	0.58
	Weighted average number of shares ('000 shares)	81,105	81,105	81,105	81,105
b)	On a fully diluted basis (cents)	0.47	(0.45)	(0.16)	0.58
	Weighted average number of shares ('000 shares)	81,105	81,105	81,105	81,105

(Losses)/earnings per ordinary share is computed based on the weighted average number of issued shares of 81,104,539 (31.3.2016: 81,104,539).

On a fully diluted basis, there were no outstanding convertibles during the financial periods ended 31 March 2017 and 31 March 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	
	31.3.2017	30.6.2016	31.3.2017	30.6.2016
	cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	81.30	83.08	84.46	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

During the third quarter ended 31 March 2017, turnover of the Group remained largely unchanged at S\$2.1 million, compared with that in the last corresponding quarter.

On a nine-month basis, the Group recorded a 34% reduction in turnover from S\$9.0 million to S\$5.9 million, as a result of declining demand for lime products amid worsening market conditions.

Net Earnings

During this third quarter, expenditure for the Group increased by 6% to S\$2.9 million, mainly due to high production cost. After accounting for S\$0.5 million in income tax credit arising from unutilized losses, unabsorbed capital allowances, and temporary exchange losses that resulted from a weaker Malaysian Ringgit, the Group reported net earnings of S\$0.4 million.

For the nine months, the Group's expenditure reduced by 21% to S\$8.5 million, mainly resulted from a decrease in purchases of inventories in tandem with the fall in sales volume. Given the high fixed overhead costs, and taking into account an income tax credit of S\$0.9 million, a net loss of S\$0.1 million was incurred.

Cash Flows and Financial Position

The Group's financial position remained positive, with working capital of S\$21.5 million as at 31 March 2017, compared with S\$21.9 million at 30 June 2016. Cash balance of the Group increased slightly to S\$50.6 million as at 31 March 2017, whereby S\$0.9 million was generated from operating activities, whereas S\$0.4 million was paid out as dividend, and S\$0.1 million was paid under the capital reduction exercise of a dormant subsidiary to be struck off. In addition, S\$1.0 million was received as deposit relating to the divestment of entire equity interest in a Yangzhou subsidiary, and hence trade and other payables increased from S\$1.9 million to S\$2.9 million.

Trade and other receivables went down from S\$3.7 million to S\$3.4 million, and inventories fell from S\$6.0 million to S\$5.5 million. Given an increase in the market value of the Group's investment, available-for-sale financial assets increased from S\$0.2 million to S\$0.4 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.**

Prolonged market adversities continue to impinge on the Group's core business, which is facing falling demand and rising costs. The Group will continue its efforts to ride out these challenges.

As announced on 21 April 2017, a revised sale and purchase agreement ("**Revised SPA**") was executed in respect of the divestment of the Group's equity interest in the Yangzhou subsidiary (the "**Disposal**"). The Group and the purchaser have since been working towards the fulfilment of all the terms and conditions under the Revised SPA, so as to complete the Disposal as soon as possible.

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/recommendeded, a statement to that effect

No interim dividend has been declared for the quarter ended 31 March 2017.

13. Interested Person Transactions (“IPTs”)

For the financial period ended 31.3.2017		
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	--	1,135

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 2017, 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, 9 May 2017