



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 2015**

Part I – Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group					
	Second Quarter Ended			Half Year Ended		
	31.12.2015	31.12.2014	+ / (-)	31.12.2015	31.12.2014	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	2,759	6,498	(58)	6,852	14,122	(51)
Other gains – net	758	858	(12)	1,645	1,541	7
Expenses:						
Purchases of inventories	(2,037)	(4,416)	(54)	(4,693)	(9,675)	(51)
Employee compensation	(428)	(566)	(24)	(915)	(1,086)	(16)
Depreciation of property, plant and equipment	(324)	(617)	(47)	(655)	(1,244)	(47)
Finance expenses	-	(1)	n/m	-	(1)	n/m
Other operating expenses	(1,010)	(1,378)	(27)	(1,863)	(2,630)	(29)
Changes in inventories	260	(59)	n/m	223	(389)	n/m
Total expenses	(3,539)	(7,037)	(50)	(7,903)	(15,025)	(47)
(Loss)/Profit before income tax	(22)	319	n/m	594	638	(7)
Income tax (expense)/credit	(218)	76	n/m	246	(39)	n/m
Net (loss)/profit	(240)	395	n/m	840	599	40
(Loss)/Profit attributable to:						
Equity holders of the Company	(239)	395	n/m	842	599	41
Non-controlling interests	(1)	-	n/m	(2)	-	n/m
	(240)	395	n/m	840	599	40

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.

	The Group					
	Second Quarter Ended			Half Year Ended		
	31.12.2015	31.12.2014	+ / (-)	31.12.2015	31.12.2014	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net (loss)/profit	(240)	395	n/m	840	599	40
Other comprehensive (loss)/income:						
Available-for-sale financial assets						
- fair value loss	(14)	(499)	(97)	(82)	(161)	(49)
- currency translation arising from consolidation	(223)	577	n/m	(1,938)	2,344	n/m
Other comprehensive (loss)/income, net of tax	(237)	78	n/m	(2,020)	2,183	n/m
Total comprehensive (loss)/income	(477)	473	n/m	(1,180)	2,782	n/m
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(476)	473	n/m	(1,178)	2,782	n/m
Non-controlling interests	(1)	-	n/m	(2)	-	n/m
	(477)	473	n/m	(1,180)	2,782	n/m

n/m - denotes not meaningful

1(a)(iii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

	The Group			
	Second Quarter Ended		Half Year Ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
(Loss)/profit before income tax is arrived after (charging)/crediting:				
Currency exchange (loss)/gain - net	(86)	146	(135)	210
Depreciation	(324)	(617)	(655)	(1,244)
Insurance	(34)	(38)	(61)	(79)
Listing expenses	(26)	(26)	(38)	(47)
Maintenance expenses	(65)	(32)	(119)	(87)
Material handling	(45)	(87)	(99)	(169)
Professional fee	(15)	(138)	(24)	(170)
Rental on operating lease	(152)	(96)	(277)	(192)
Transportation	(211)	(428)	(614)	(733)
Utilities	(337)	(293)	(552)	(585)
Interest income:				
- bank deposits	184	165	471	315
- charged to related parties	90	86	197	154
Shortfall claims on minimum purchases from related parties	578	488	1,114	837

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.

	The Group		The Company	
	31.12.2015	30.6.2015	31.12.2015	30.6.2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	51,393	51,817	360	418
Trade and other receivables	7,203	8,294	70,175	69,435
Inventories	6,367	6,701	--	--
Income tax receivables	235	155	243	155
Other current assets	475	531	7	3
	65,673	67,498	70,785	70,011
Non-current assets				
Available-for-sale financial assets	224	317	--	--
Development properties for sale	39,154	38,667	--	--
Investments in subsidiaries	--	--	502	896
Property, plant and equipment	9,290	10,890	378	441
	48,668	49,874	880	1,337
Total assets	114,341	117,372	71,665	71,348
LIABILITIES				
Current liabilities				
Trade and other payables	2,912	3,423	1,041	1,164
Finance lease liabilities	60	60	60	60
Provision	38,772	38,594	--	--
	41,744	42,077	1,101	1,224
Non-current liabilities				
Finance lease liabilities	120	150	120	150
Deferred income tax liabilities	379	877	223	223
	499	1,027	343	373
Total liabilities	42,243	43,104	1,444	1,597
NET ASSETS	72,098	74,268	70,221	69,751
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	47,494	47,494	47,494	47,494
Other reserves	(3,824)	(1,804)	--	--
Retained profits	28,295	27,860	22,727	22,257
	71,965	73,550	70,221	69,751
Non-controlling interests	133	718	--	--
TOTAL EQUITY	72,098	74,268	70,221	69,751

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

Amount repayable in one year or less, or on demand

The Group			
31.12.2015		30.6.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60	--	60	--

Amount repayable after one year

The Group			
31.12.2015		30.6.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
120	--	150	--

Details of any collateral

	The Group	
	31.12.2015	30.6.2015
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand Finance lease liabilities	60	60
Amount repayable after one year Finance lease liabilities	120	150

As at 31 December 2015, the Group's finance lease liabilities of S\$180,000 (30 June 2015: S\$210,000) 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.**

	The Group			
	Second Quarter		Half Year Ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total (loss)/profit	(240)	395	840	599
Adjustments for				
- Income tax expense/(credit)	220	(76)	(246)	39
- Depreciation	323	617	655	1,244
- Finance expenses	--	1	--	1
- Interest income	(274)	(251)	(668)	(469)
- Fixed assets written off	8	--	20	--
- Loss on disposal of property, plant and equipment	15	--	15	--
- Unrealised currency translation (gain)/loss	(429)	2,100	79	3,161
	(377)	2,786	695	4,575
Change in working capital				
- Trade and other receivables	829	955	705	1,305
- Inventories	(277)	424	(189)	(25)
- Other current assets	(45)	97	54	84
- Development property for sale	(218)	(1,177)	(309)	(2,573)
- Trade and other payables	(883)	(2,548)	(450)	(2,106)
Cash (used in)/generated from operations	(971)	537	506	1,260
Income tax paid	(194)	--	(287)	--
Net cash (used in)/generated from operating activities	(1,165)	537	219	1,260
Cash flows from investing activities				
Distribution to non-controlling interests arising from reduction of capital of a subsidiary	--	--	(583)	--
Purchases of property, plant and equipment	(36)	--	(78)	(20)
Interest received	274	251	668	469
Net cash generated from investing activities	238	251	7	449
Cash flows from financing activities				
Finance lease payments	(15)	(15)	(30)	(30)
Interest paid	--	(1)	--	(1)
Dividends paid to equity holders of the Company	(406)	(406)	(406)	(406)
Net cash used in financing activities	(421)	(422)	(436)	(437)
Net (decrease)/increase in cash and cash equivalents	(1,348)	366	(210)	1,272
Cash and cash equivalents at beginning of financial period	53,459	50,705	51,817	48,971
Effects of currency translation on cash and cash equivalents	(718)	723	(214)	1,551
Cash and cash equivalents at end of financial period	51,393	51,794	51,393	51,794

1(c) (cont'd)

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

	The Group			
	Second Quarter Ended		Half Year Ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	5,044	4,977	5,044	4,977
Short-term bank deposits	46,349	46,817	46,349	46,817
	51,393	51,794	51,393	51,794

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 1.7.2015	47,494	22,257	69,751
Total comprehensive income for the period	--	1,403	1,403
Balance at 30.9.2015	47,494	23,660	71,154
Total comprehensive loss for the period	--	(527)	(527)
Dividend paid	--	(406)	(406)
Balance at 31.12.2015	47,494	22,727	70,221
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
Dividend paid	--	(406)	(406)
Balance at 31.12.2014	47,494	61,504	108,998

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

Group Consolidated Statement of Changes in Equity

	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 1.7.2015	47,494	105	180	(4,201)	2,112	--	27,860	73,550	718	74,268
Total comprehensive income for the period	--	--	--	(1,715)	--	(68)	1,080	(703)	(1)	(704)
Distributions from cancellation of shares by a subsidiary	--	--	--	--	--	--	--	--	(583)	(583)
Balance at 30.09.2015	47,494	105	180	(5,916)	2,112	(68)	28,940	72,847	134	72,981
Dividend paid	--	--	--	--	--	--	(406)	(406)	--	(406)
Total comprehensive loss for the period	--	--	--	(223)	--	(14)	(239)	(476)	(1)	(477)
Balance at 31.12.2015	47,494	105	180	(6,139)	2,112	(82)	28,295	71,965	133	72,098
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	--	--	--	1,767	--	338	204	2,309	--	2,309
Balance at 31.09.2014	47,494	105	--	(4,249)	2,112	338	76,025	121,825	711	122,536
Dividend paid	--	--	--	--	--	--	(406)	(406)	--	(406)
Total comprehensive income for the period	--	--	--	577	--	(499)	395	473	(1)	472
Balance at 31.12.2014	47,494	105	--	(3,672)	2,112	(161)	76,014	121,892	710	122,602

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.

	31.12.2015	31.12.2014
	No. of Shares	No. of Shares
Issued Share Capital (<i>Note A</i>)	81,104,539	81,104,539
Treasury Shares held	--	--
Shares to be issued pursuant to the exercise of all the outstanding convertibles (<i>Note B</i>)	--	--

Note A

	No. of Issued Shares
Balance at 1/10/2015	81,104,539
Movement in share capital	--
Balance at 31/12/2015	81,104,539

Note B

There were no unissued ordinary shares for the financial periods ended 31 December 2015 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.

	31.12.2015	30.6.2015
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 by the Company's auditor.

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 2015.

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			
		Second Quarter Ended		Half Year Ended	
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
a)	Based on weighted average number of shares (cents)	(0.3)	0.49	1.04	0.74
	Weighted average number of shares ('000 shares)	81,105	81,105	81,105	81,105
b)	On a fully diluted basis (cents)	(0.3)	0.49	1.04	0.74
	Weighted average number of shares ('000 shares)	81,105	81,105	81,105	81,105

Earnings per ordinary share is computed based on the weighted average number of issued shares of 81,104,539 (31.12.2014: 81,104,539).

On a fully diluted basis, there were no outstanding convertibles during the financial periods ended 31 December 2014 and 2015.

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	
	31.12.2015	30.6.2015	31.12.2015	30.6.2015
	cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	88.73	90.68	86.58	86.00

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 second quarter ended 31 December 2015, the Group recorded a 58% decrease in turnover to S\$2.8 million, from S\$6.5 million in the last corresponding quarter. This was mainly attributable to a reduction in the sales of lime products ("lime") from S\$5.7 million to S\$2.8 million, whereas no trading was conducted for steel consumables ("consumables").

During the half year ended 31 December 2015, turnover of the Group reduced by 51% from S\$14.1 million to S\$6.9 million, given the decline in lime revenue from S\$11.3 million to S\$6.9 million, while no consumables revenue was generated due to absence of demand.

Earnings from business operations

The Group's business operations incurred a loss of S\$40,000 during the second quarter. Lime earnings fell from S\$0.8 million to S\$47,000, as production costs remained high. Additionally, expenditure of S\$49,000 and S\$37,000 were incurred for consumables and property development ("development") divisions respectively. Whereas in the last corresponding quarter, earnings of S\$0.7 million was recorded by the Group.

During the half year, earnings from business operations amounted to S\$1.1 million, which remained largely unchanged from that of the last corresponding half year. S\$1.2 million in earnings was generated from lime, but partially offset by S\$0.1 million and S\$80,000 in expenses from consumables and development respectively.

Net Earnings

In view of the above, the Group incurred a loss before tax of S\$22,000 during the second quarter, in spite of a 50% reduction in total expenses to S\$3.5 million, which resulted mostly from decreases in purchases of inventories, and depreciation on plant and equipment that had been impaired at the end of last financial year. After providing for an income tax expense of S\$0.2 million, net loss amounted to S\$0.2 million. In contrast, the Group reported net earnings of S\$0.4 million in the last corresponding quarter.

On a half year basis, the Group's net earnings went up from S\$0.6 million to S\$0.8 million, mainly because of an income tax credit of S\$0.2 million that arose from temporary exchange losses due to a weaker Malaysian Ringgit.

Financial Position

The Group's financial position remained healthy, with a working capital of S\$23.5 million as at 31 December 2015, compared with S\$24.9 million as at 30 June 2015. Cash balance of the Group remained largely unchanged at S\$51.4 million as at 31 December 2015, mainly contributed by S\$0.2 million generated from operating activities and S\$0.7 million in interest received, whereas S\$0.4 million in dividend payment was made, as well as S\$0.6 million was paid to minority shareholders of a subsidiary that had conducted a capital reduction exercise.

Trade and other payables fell from S\$3.4 million as at 30 June 2015, to S\$2.9 million as at 31 December 2015, following payments made for production costs and other operating expenses. Trade and other receivables decreased from S\$8.3 million to S\$7.2 million, and inventories reduced from S\$6.7 million to S\$6.4 million. Taking into account the drop in market values of the Group's investments, available-for-sale financial assets declined from S\$0.3 million to S\$0.2 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's core operations are stricken with adversities in the marketplace, where supply continues to outstrip demand, while costs keep on rising. As such, the Group will continue to seek out new customers to mitigate the effects of this situation. In the meantime, attempts to divest the Group's interest in the development project in China will continue.

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 2015.

13. Interested Person Transactions ("IPTs")

For the financial period ended 31.12.2015		
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	--	1,074
Antara Steel Mills Sdn Bhd	--	173
Megasteel Sdn Bhd	--	307

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 2015, 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, 3 February 2016