



**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 2016**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1 and Q2),  
HALF-YEAR RESULTS**

**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		
	31.12.2016	31.12.2015	+ / (-)	31.12.2016	31.12.2015	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1,902	2,759	(31)	3,795	6,852	(45)
Other gains – net	428	758	(44)	855	1,645	(48)
Expenses:						
Purchases of inventories	(1,238)	(2,037)	(39)	(2,436)	(4,693)	(48)
Employee compensation	(416)	(428)	(3)	(827)	(915)	(10)
Depreciation of property, plant and equipment	(341)	(324)	5	(739)	(655)	13
Other operating expenses	(815)	(1,010)	(19)	(1,623)	(1,863)	(13)
Changes in inventories	20	260	(92)	91	223	(59)
Total expenses	(2,790)	(3,539)	(21)	(5,534)	(7,903)	(30)
<b>(Loss)/Profit before income tax</b>	<b>(460)</b>	<b>(22)</b>	n/m	<b>(884)</b>	<b>594</b>	n/m
Income tax credit/(expense)	228	(218)	n/m	373	246	52
<b>Net (loss)/profit</b>	<b>(232)</b>	<b>(240)</b>	(3)	<b>(511)</b>	<b>840</b>	n/m
<b>(Loss)/Profit attributable to:</b>						
Equity holders of the Company	(233)	(239)	(3)	(512)	842	n/m
Non-controlling interests	1	(1)	n/m	1	(2)	n/m
	<b>(232)</b>	<b>(240)</b>	(3)	<b>(511)</b>	<b>840</b>	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.

	The Group					
	Second Quarter Ended			Half Year Ended		
	31.12.2016	31.12.2015	+ / (-)	31.12.2016	31.12.2015	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net (loss)/profit	(232)	(240)	(3)	(511)	840	n/m
<b>Other comprehensive (loss)/income:</b>						
Available-for-sale financial assets						
- fair value loss	(100)	(14)	n/m	29	(82)	n/m
- currency translation arising from consolidation	(53)	(223)	(76)	(182)	(1,938)	(91)
<b>Other comprehensive loss, net of tax</b>	<b>(153)</b>	<b>(237)</b>	<b>(35)</b>	<b>(153)</b>	<b>(2,020)</b>	<b>(92)</b>
<b>Total comprehensive loss</b>	<b>(385)</b>	<b>(477)</b>	<b>(19)</b>	<b>(664)</b>	<b>(1,180)</b>	<b>(44)</b>
<b>Total comprehensive loss attributable to:</b>						
Equity holders of the Company	(385)	(476)	(19)	(664)	(1,178)	(44)
Non-controlling interests	--	(1)	n/m	--	(2)	n/m
	<b>(385)</b>	<b>(477)</b>	<b>(19)</b>	<b>(664)</b>	<b>(1,180)</b>	<b>(44)</b>

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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
(Loss)/profit before income tax is arrived after (charging)/crediting:				
Currency exchange (loss)/gain - net	9	(86)	3	(135)
Depreciation	(341)	(324)	(739)	(655)
Impairment loss on available-for-sale financial assets	--	--	(78)	--
Insurance	(32)	(33)	(58)	(61)
Listing expenses	(26)	(26)	(46)	(38)
Maintenance expenses	(21)	(65)	(50)	(119)
Material handling	(51)	(45)	(106)	(99)
Professional fee	--	(15)	--	(24)
Rental on operating lease	(52)	(152)	(106)	(277)
Transportation	(142)	(211)	(332)	(614)
Utilities	(285)	(337)	(491)	(552)
Interest income:				
- bank deposits	172	184	332	471
- charged to related parties	(8)	90	38	197
Shortfall claims on minimum purchases from related parties	(107)	578	35	1,114

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	
	31.12.2016	30.6.2016	31.12.2016	30.6.2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	50,797	50,128	477	398
Trade and other receivables	3,720	3,724	69,157	68,361
Inventories	5,510	5,953	--	--
Income tax receivables	100	118	71	75
Other current assets	349	304	8	3
Deferred tax assets	482	--	--	--
	60,958	60,227	69,713	68,837
<b>Non-current assets</b>				
Available-for-sale financial assets	167	208	--	--
Development property for sale	37,366	36,438	--	--
Investments in subsidiaries	--	--	502	502
Property, plant and equipment	8,013	9,016	252	315
	45,546	45,662	754	817
<b>Total assets</b>	<b>106,504</b>	<b>105,889</b>	<b>70,467</b>	<b>69,654</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	2,717	1,890	1,113	1,155
Finance lease liabilities	60	60	60	60
Provision	36,993	36,104	--	--
	39,770	38,054	1,173	1,215
<b>Non-current liabilities</b>				
Finance lease liabilities	60	90	60	90
Deferred tax liabilities	224	226	224	223
	284	316	284	313
<b>Total liabilities</b>	<b>40,054</b>	<b>38,370</b>	<b>1,457</b>	<b>1,528</b>
<b>NET ASSETS</b>	<b>66,450</b>	<b>67,519</b>	<b>69,010</b>	<b>68,126</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	47,494	47,494	47,494	47,494
Other reserves	(5,477)	(5,324)	--	--
Retained profits	24,299	25,215	21,516	20,632
	66,316	67,385	69,010	68,126
<b>Non-controlling interests</b>	134	134	--	--
<b>TOTAL EQUITY</b>	<b>66,450</b>	<b>67,519</b>	<b>69,010</b>	<b>68,126</b>

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

Amount repayable in one year or less, or on demand

The Group			
31.12.2016		30.6.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60	--	60	--

Amount repayable after one year

The Group			
31.12.2016		30.6.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60	--	90	--

Details of any collateral

	The Group	
	31.12.2016	30.6.2016
	S\$'000	S\$'000
<b>Amount repayable in one year or less, or on demand</b> Finance lease liabilities	60	60
<b>Amount repayable after one year</b> Finance lease liabilities	60	90

As at 31 December 2016, the Group's finance lease liabilities of S\$120,000 (30 June 2016: S\$150,000) 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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Total (loss)/profit	(232)	(240)	(511)	840
Adjustments for				
- Income tax (credit)/expense	(228)	220	(373)	(246)
- Depreciation	341	323	739	655
- Impairment loss on available-for-sale financial assets	--	--	78	--
- Interest income	(164)	(274)	(370)	(668)
- Fixed assets written off	--	8	2	20
- Loss on disposal of property, plant and equipment	1	15	1	15
- Unrealised currency translation (gains)/loss	(3)	(429)	(10)	79
	(285)	(377)	(444)	695
Change in working capital				
- Trade and other receivables	18	829	95	705
- Inventories	218	(277)	216	(189)
- Other current assets	(28)	(45)	(47)	54
- Development property for sale	(12)	(218)	(30)	(309)
- Trade and other payables	(54)	(883)	844	(450)
<b>Cash (used in)/generated from operations</b>	(143)	(971)	634	506
Income tax paid	(48)	(194)	(106)	(287)
<b>Net cash (used in)/generated from operating activities</b>	(191)	(1,165)	528	219
<b>Cash flows from investing activities</b>				
Distribution to non-controlling interests arising from reduction of capital of a subsidiary	--	--	--	(583)
Purchases of property, plant and equipment	(79)	(36)	(101)	(78)
Interest received	96	274	130	668
<b>Net cash generated from investing activities</b>	17	238	29	7
<b>Cash flows from financing activities</b>				
Finance lease payments	(15)	(15)	(30)	(30)
Dividends paid to equity holders of the Company	(405)	(406)	(405)	(406)
<b>Net cash used in financing activities</b>	(420)	(421)	(435)	(436)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(594)	(1,348)	122	(210)
Cash and cash equivalents at beginning of financial period	51,050	53,459	50,128	51,817
Effects of currency translation on cash and cash equivalents	341	(718)	547	(214)
<b>Cash and cash equivalents at end of financial period</b>	50,797	51,393	50,797	51,393

1(c) (cont'd)

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

	<b>The Group</b>			
	<b>Second Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Cash at bank and on hand	3,809	5,044	3,809	5,044
Short-term bank deposits	46,988	46,349	46,988	46,349
	<b>50,797</b>	<b>51,393</b>	<b>50,797</b>	<b>51,393</b>

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**

	<b>Share Capital</b>	<b>Retained Profits</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 1.7.2016</b>	<b>47,494</b>	<b>20,632</b>	<b>68,126</b>
Total comprehensive income for the period	--	900	900
<b>Balance at 30.9.2016</b>	<b>47,494</b>	<b>21,532</b>	<b>69,026</b>
Total comprehensive income for the period	--	389	389
Dividend paid	--	(405)	(405)
<b>Balance at 31.12.2016</b>	<b>47,494</b>	<b>21,516</b>	<b>69,010</b>
<b>Balance at 1.7.2015</b>	<b>47,494</b>	<b>22,257</b>	<b>69,751</b>
Total comprehensive income for the period	--	1,403	1,403
<b>Balance at 30.9.2015</b>	<b>47,494</b>	<b>23,660</b>	<b>71,154</b>
Total comprehensive income for the period	--	(527)	(527)
Dividend paid	--	(406)	(406)
<b>Balance at 31.12.2015</b>	<b>47,494</b>	<b>22,727</b>	<b>70,221</b>

## 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		
<b>Balance at 1.7.2016</b>	<b>47,494</b>	<b>105</b>	<b>180</b>	<b>(7,721)</b>	<b>2,112</b>	<b>--</b>	<b>25,215</b>	<b>67,385</b>	<b>134</b>	<b>67,519</b>
Total comprehensive (loss)/income for the period	--	--	--	(129)	--	129	(279)	(279)	--	(279)
<b>Balance at 30.09.2016</b>	<b>47,494</b>	<b>105</b>	<b>180</b>	<b>(7,850)</b>	<b>2,112</b>	<b>129</b>	<b>24,936</b>	<b>67,106</b>	<b>134</b>	<b>67,240</b>
Dividend paid	--	--	--	--	--	--	(405)	(405)	--	(405)
Total comprehensive loss for the period	--	--	--	(53)	--	(100)	(232)	(385)	--	(385)
<b>Balance at 31.12.2016</b>	<b>47,494</b>	<b>105</b>	<b>180</b>	<b>(7,903)</b>	<b>2,112</b>	<b>29</b>	<b>24,299</b>	<b>66,316</b>	<b>134</b>	<b>66,450</b>
<b>Balance at 1.7.2015</b>	<b>47,494</b>	<b>105</b>	<b>180</b>	<b>(4,201)</b>	<b>2,112</b>	<b>--</b>	<b>27,860</b>	<b>73,550</b>	<b>718</b>	<b>74,268</b>
Total comprehensive (loss)/income for the period	--	--	--	(1,715)	--	(68)	1,080	(703)	(1)	(704)
Distributions from cancellation of shares by a subsidiary	--	--	--	--	--	--	--	--	(583)	(583)
<b>Balance at 31.09.2015</b>	<b>47,494</b>	<b>105</b>	<b>180</b>	<b>(5,916)</b>	<b>2,112</b>	<b>(68)</b>	<b>28,940</b>	<b>72,847</b>	<b>134</b>	<b>72,981</b>
Dividend paid	--	--	--	--	--	--	(406)	(406)	--	(406)
Total comprehensive loss for the period	--	--	--	(223)	--	(14)	(239)	(476)	(1)	(477)
<b>Balance at 31.12.2015</b>	<b>47,494</b>	<b>105</b>	<b>180</b>	<b>(6,139)</b>	<b>2,112</b>	<b>(82)</b>	<b>28,295</b>	<b>71,965</b>	<b>133</b>	<b>72,098</b>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	31.12.2016	31.12.2015
	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 Shares
Balance at 1/10/2016	81,104,539
Movement in share capital	--
<b>Balance at 31/12/2016</b>	<b>81,104,539</b>

**Note B**

There were no unissued ordinary shares for the financial periods ended 31 December 2016 and 31 December 2015.

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.

	31.12.2016	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 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.**

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	
		31.12.2016	31.12.2015	31.12.2016	31.12.2015
a)	Based on weighted average number of shares (cents)	(0.29)	(0.30)	(0.63)	1.04
	Weighted average number of shares ('000 shares)	81,105	81,105	81,105	81,105
b)	On a fully diluted basis (cents)	(0.29)	(0.30)	(0.63)	1.04
	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 (31.12.2015: 81,104,539).

On a fully diluted basis, there were no outstanding convertibles during the financial periods ended 31 December 2015 and 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	
	31.12.2016	30.6.2016	31.12.2016	30.6.2016
	cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	81.77	83.08	85.09	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 second quarter ended 31 December 2016, the Group recorded a 31% decrease in turnover to S\$1.9 million, from S\$2.8 million in the last corresponding quarter. This arose from the reduction in lime manufacturing, which has seen declining demand amid adverse market conditions.

Accordingly, turnover of the Group reduced by 45% from S\$6.9 million to S\$3.8 million for the half year ended 31 December 2016.

#### Net Earnings

Expenditure for the Group reduced by 21% to S\$2.8 million during the second quarter, and by 30% to S\$5.5 million on a half year basis, mainly due to lower purchases of inventories in tandem with the fall in business activities. However, fixed overhead costs remained high.

After accounting for income tax credits from temporary exchange losses resulted from a weaker Malaysian Ringgit, the Group incurred net losses of S\$0.2 million for this quarter and S\$0.5 million for the half year.

#### Financial Position

The Group's financial position remained positive, with a working capital of S\$20.4 million as at 31 December 2016, compared with S\$21.9 million as at 30 June 2016. Cash balance of the Group remained largely unchanged at S\$50.8 million as at 31 December 2016, whereby S\$0.5 million was generated from operating activities, and S\$0.4 million was paid out as dividend. In addition, S\$1.0 million was received as deposit relating to the divestment of entire equity interest in a Yangzhou subsidiary, which in turn increased trade and other payables from S\$1.9 million to S\$2.7 million.

Trade and other receivables hovered at S\$3.7 million, and inventories decreased slightly to S\$5.5 million. Falling market value has resulted in the marginal reduction of available-for-sale financial assets 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.**

As market adversities persist and impinge on the Group's business, continuous efforts are being made by the Company to mitigate the situation.

As regards the Group's impending divestment in the People's Republic of China ("**PRC**"), the Company wishes to update that due to recent changes to the relevant laws and foreign exchange policies of the PRC, the intended procedures for the transfer of the equity interest in Yangzhou Lion Property Development Co Ltd and the payment of the sale consideration cannot be implemented. The Company is in discussions with the relevant authorities in the PRC as well as the purchaser to revise such procedures so that the divestment can be completed 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 December 2016.

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

<b>For the financial period ended 31.12.2016</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>
Amsteel Mills Sdn Bhd	--	1,843

**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 2016, 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 under Rule 720(1) 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, 14 February 2017