


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 2014**

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

Consolidated Income Statement

	The Group					
	Third Quarter Ended			Nine Months Ended		
	31.3.2014	31.3.2013	+ / (-)	31.3.2014	31.3.2013	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	6,488	8,369	(22)	21,684	22,075	(2)
Other gains – net	422	517	(18)	1,590	2,006	(21)
Expenses:						
Purchases of inventories	(4,164)	(6,012)	(31)	(14,400)	(15,923)	(10)
Employee compensation	(532)	(546)	(3)	(1,506)	(1,460)	3
Depreciation of property, plant and equipment	(615)	(603)	2	(1,786)	(1,817)	(2)
Finance expenses	--	(1)	n/m	(1)	(2)	(50)
Other operating expenses	(1,054)	(1,193)	(12)	(3,231)	(2,953)	9
Changes in inventories	53	91	(42)	124	279	(56)
Total expenses	(6,312)	(8,264)	(24)	(20,800)	(21,876)	(5)
Profit before income tax	598	622	(4)	2,474	2,205	12
Income tax expense	(134)	(98)	37	(34)	(322)	(89)
Total profit	464	524	(11)	2,440	1,883	30
Profit attributable to:						
Equity holders of the Company	463	519	(11)	2,439	1,868	31
Non-controlling interests	1	5	(80)	1	15	(93)
	464	524	(11)	2,440	1,883	30

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		
	31.3.2014	31.3.2013	+ / (-)	31.3.2014	31.3.2013	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total profit	464	524	(11)	2,440	1,883	30
Other comprehensive income/(loss):						
Available-for-sale financial assets						
- fair value gain/(loss)	343	2,547	(87)	(1,917)	2,920	n/m
- currency translation arising from consolidation	(1,641)	628	n/m	(1,854)	(20)	9,170
Other comprehensive income/(loss), net of tax	(1,298)	3,175	n/m	(3,771)	2,900	n/m
Total comprehensive income/(loss)	(834)	3,699	n/m	(1,331)	4,783	n/m
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	(835)	3,694	n/m	(1,332)	4,768	n/m
Non-controlling interests	1	5	(80)	1	15	n/m
	(834)	3,699	n/m	(1,331)	4,783	n/m

n/m - denotes not meaningful

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

	The Group			
	Third Quarter Ended		Nine Months Ended	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before income tax is arrived after (charging)/crediting:				
Depreciation	(615)	(603)	(1,786)	(1,817)
Insurance	(30)	(46)	(82)	(135)
Listing expenses	(12)	(17)	(45)	(49)
Maintenance expenses	(58)	(27)	(165)	(87)
Material handling	(99)	(95)	(301)	(235)
Professional fee	--	(2)	--	(19)
Rental on operating lease	(110)	(137)	(300)	(342)
Utilities	(298)	(272)	(855)	(705)
Interest income:				
- bank deposits	109	70	271	470
- charged to related parties	72	166	206	517
Shortfall claims on minimum purchases from related parties	350	72	1,101	893

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	
	31.3.2014	30.6.2013	31.3.2014	30.6.2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	52,870	66,449	7,635	50,112
Trade and other receivables	9,851	11,055	102,287	60,804
Inventories	6,222	5,253	--	--
Other current assets	173	36,090	59	42
Development property for sale	35,293	--	--	--
	104,409	118,847	109,981	110,958
Non-current assets				
Available-for-sale financial assets	3,629	5,346	--	--
Investments in subsidiaries	--	--	896	896
Property, plant and equipment	22,175	24,065	599	3
	25,804	29,411	1,495	899
Total assets	130,213	148,258	111,476	111,857
LIABILITIES				
Current liabilities				
Trade and other payables	5,668	21,885	347	560
Current income tax liabilities	218	122	39	105
Borrowings	45	--	45	--
	5,931	22,007	431	665
Non-current liabilities				
Borrowings	240	--	240	--
Deferred income tax liabilities	3,081	3,553	222	398
	3,321	3,553	462	398
Total liabilities	9,252	25,560	893	1,063
NET ASSETS	120,961	122,698	110,583	110,794
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	47,494	47,494	47,494	47,494
Other reserves	9,865	13,636	13,543	13,543
Retained profits	62,890	60,857	49,546	49,757
	120,249	121,987	110,583	110,794
Non-controlling interests	712	711	--	--
TOTAL EQUITY	120,961	122,698	110,583	110,794

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

Amount repayable in one year or less, or on demand

The Group			
31.3.2014		30.6.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
45	--	--	--

Amount repayable after one year

The Group			
31.3.2014		30.6.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
240	--	--	--

Details of any collateral

	The Group	
	31.3.2014	30.6.2013
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand Finance lease liabilities	45	--
Amount repayable after one year Finance lease liabilities	240	--

As at 31 March 2014, the Group's finance lease liabilities of S\$285,000 (30 June 2013: S\$ Nil) are secured by the rights to the 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	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	464	524	2,440	1,883
Adjustments for				
- Income tax expense	134	98	34	322
- Depreciation	615	603	1,786	1,817
- Finance expenses	--	1	1	2
- Interest income	(181)	(236)	(477)	(987)
- Fixed assets written off	--	14	15	11
- Unrealised currency translation gains	(1,544)	(92)	(1,034)	(67)
	(512)	912	2,765	2,981
Change in working capital				
- Trade and other receivables	2,505	748	883	1,620
- Inventories	(1,516)	229	(759)	(888)
- Other current assets	286	157	35,915	144
- Development property for sale	1,136	--	(35,293)	--
- Trade and other payables	1,272	(15)	(16,272)	(1,343)
Cash generated from/(used in) operations	3,171	2,031	(12,761)	2,514
Income tax refunded	(121)	(97)	(134)	(97)
Net cash generated from/(used in) operating activities	3,050	1,934	(12,895)	2,417
Cash flows from investing activities				
Purchases of property, plant and equipment	(676)	(23)	(719)	(50)
Interest received	302	70	477	470
Payment for purchase of land	--	(11,212)	--	(17,876)
Net cash used in investing activities	(374)	(11,165)	(242)	(17,456)
Cash flows from financing activities				
Repayment of borrowings	(15)	--	(15)	--
Proceeds from borrowings	300	43	300	43
Interest paid	--	(1)	(1)	(2)
Dividends paid to equity holders of the Company	--	--	(405)	(2,028)
Net cash generated from/(used in) financing activities	285	42	(121)	(1,987)
Net increase/(decrease) in cash and cash equivalents	2,961	(9,189)	(13,258)	(17,026)
Cash and cash equivalents at beginning of financial period	50,163	74,099	66,449	82,473
Effects of currency translation on cash and cash equivalents	(254)	535	(321)	(2)
Cash and cash equivalents at end of financial period	52,870	65,445	52,870	65,445

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	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	26,785	7,274	26,785	7,274
Short-term bank deposits	26,085	58,171	26,085	58,171
	52,870	65,445	52,870	65,445

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity – The Company

	Share capital	Capital reduction reserve	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.7.2013	47,494	13,543	49,757	110,794
Total comprehensive income for the period	--	--	182	182
Dividends	--	--	(406)	(406)
Balance at 31.12.2013	47,494	13,543	49,533	110,570
Total comprehensive income for the period	--	--	13	13
Balance at 31.3.2014	47,494	13,543	49,546	110,583
Balance at 1.7.2012	47,494	13,543	40,373	101,410
Total comprehensive income for the period	--	--	7,727	7,727
Dividends	--	--	(2,028)	(2,028)
Balance at 31.12.2012	47,494	13,543	46,072	107,109
Total comprehensive income for the period	--	--	981	981
Balance at 31.3.2013	47,494	13,543	47,053	108,090

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

Consolidated Statement of Changes in Equity – The Group

	Attributable to equity holders of the Company									Non-controlling Interests	Total Equity
	Share capital	Capital redemption reserve	Fair value reserve	Currency translation reserve	Capital reduction reserve	Capital reserve	Consolidation reserve	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1.7.2013	47,494	105	1,762	(3,886)	13,543	2,112	--	60,857	121,987	711	122,698
Total comprehensive (loss)/ income for the period	--	--	(2,260)	(213)	--	--	--	1,975	(498)	--	(498)
Dividends paid	--	--	--	--	--	--	--	(405)	(405)	--	(405)
Balance at 31.12.2013	47,494	105	(498)	(4,099)	13,543	2,112	--	62,427	121,084	711	121,795
Total comprehensive income/ (loss) for the period	--	--	343	(1,641)	--	--	--	463	(835)	1	(834)
Balance at 31.3.2014	47,494	105	(155)	(5,740)	13,543	2,112	--	62,890	120,249	712	120,961
Balance at 1.7.2012	47,494	105	--	(4,176)	13,543	2,112	(36)	61,161	120,203	692	120,895
Total comprehensive income/ (loss) for the period	--	--	373	(648)	--	--	--	1,349	1,074	10	1,084
Dividends paid	--	--	--	--	--	--	--	(2,028)	(2,028)	--	(2,028)
Balance at 31.12.2012	47,494	105	373	(4,824)	13,543	2,112	(36)	60,482	119,249	702	119,951
Total comprehensive income for the period	--	--	2,547	628	--	--	--	519	3,694	5	3,699
Balance at 31.3.2013	47,494	105	2,920	(4,196)	13,543	2,112	(36)	61,001	122,943	707	123,650

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.

	31.3.2014	31.3.2013
	No. of Shares	No. of Shares
Issued Share Capital (<i>Note A</i>)	405,522,724	405,522,724
Treasury Shares held	--	--
Shares to be issued pursuant to the exercise of all the outstanding share options (<i>Note B</i>)	--	--

Note A

	No. of Shares
Balance at 1/1/2014	405,522,724
Movement in share capital	--
Balance at 31/3/2014	405,522,724

Note B

There were no unissued ordinary shares for the financial period ended 31 March 2014 as LAP share options have lapsed during the financial period ended 31 March 2013.

Movement in the number of unissued ordinary shares under LAP Share Option Scheme and their exercise prices for the financial period ended 31 March 2013 are set out as follows:

	As at 1.7.2012	Exercised during financial period	Lapsed/forfeited during financial period	As at 31.3.2013	Exercise price	Exercise period
2007 Options	52,500	--	(52,500)	--	\$0.24	30.11.2008 – 29.11.2012

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.

	31.3.2014	30.6.2013
Total number of issued shares excluding treasury shares	405,522,724	405,522,724

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the most recent audited financial statements for the year ended 30 June 2013.

- 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			
		Third Quarter Ended		Nine Months Ended	
		31.3.2014	31.3.2013	31.3.2014	31.3.2013
a)	Based on weighted average number of shares (cents)	0.11	0.13	0.60	0.46
	Weighted average number of shares ('000 shares)	405,523	405,523	405,523	405,523
b)	On a fully diluted basis (cents)	0.11	0.13	0.60	0.46
	Weighted average number of shares ('000 shares)	405,523	405,523	405,523	405,523

Earnings per ordinary share is computed based on the weighted average number of issued shares of 405,522,724 (31.3.2013: 405,522,724).

On a fully diluted basis, there were no outstanding share options during the financial periods ended 31 March 2013 and 2014.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

Net Asset Value per ordinary share

	The Group		The Company	
	31.3.2014	30.6.2013	31.3.2014	30.6.2013
	cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	29.65	30.08	27.27	27.32

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.

During the third quarter ended 31 March 2014, the Group's turnover reduced by 22% to S\$6.5 million, from S\$8.4 million in the last corresponding quarter. This was mainly attributable to decreases in the sales volumes of the lime manufacturing and scrap metal trading divisions, whereby revenue from lime manufacturing declined from S\$6.4 million to S\$6.0 million, and revenue from scrap metal trading went down from S\$2.0 million to S\$0.5 million.

Accordingly, the Group's earnings from business operations during the third quarter dropped from S\$0.72 million to S\$0.28 million, as lime product earnings decreased from S\$0.67 million to S\$0.58 million, and scrap metal business incurred a loss of S\$0.21 million due to higher operating costs, compared with earnings of S\$0.05 million in the last corresponding quarter. In addition, S\$0.09 million in expenditure was incurred for the property development project in Yangzhou ("**Yangzhou Project**").

During the third quarter, total expenses of the Group went down by 24% to S\$6.3 million, mainly as a result of decreases in volume of raw material purchased. Following tax adjustments for this and last corresponding quarters, income tax expense increased from S\$98,000 to S\$134,000. Consequently, the Group's net earnings reduced by 11% from S\$0.52 million to S\$0.46 million.

For the nine months ended 31 March 2014, turnover of the Group went down by 2% from S\$22.1 million to S\$21.7 million. Although lime product revenue increased in overall from S\$16.4 million to S\$19.2 million, scrap metal revenue dropped from S\$5.7 million to S\$2.5 million.

The Group's earnings from business operations for the nine-month period increased slightly from S\$1.59 million to S\$1.73 million, given the overall rise in lime product earnings from S\$1.46 million to S\$2.04 million, but offset by expenditure of S\$0.14 million in respect of the Yangzhou Project, and also a loss in scrap metal of S\$0.17 million whereas last corresponding quarter recorded earnings of S\$0.13 million.

On a nine-month basis, the Group's net earnings rose by 30% from S\$1.9 million to S\$2.4 million. Total expenses of the Group went down by 5% to S\$20.8 million, and tax adjustments had resulted in income tax expense reducing from S\$322,000 to S\$34,000.

The Group's financial position remained healthy, with a working capital of S\$62.8 million as at 31 March 2014, compared with S\$60.8 million as at 30 June 2013. Cash balance of the Group decreased from S\$66.4 million as at 30 June 2013, to S\$52.9 million as at 31 March 2014, mainly due to S\$17.4 million in full settlement for the land acquired in Yangzhou ("**Yangzhou Land**"), and S\$0.4 million in dividend paid to shareholders of the Company. The payment for Yangzhou Land also gave rise to trade and other payables reducing from S\$21.9 million to S\$5.7 million as at 31 March 2014, as well as S\$12.9 million in net cash used in operating activities during these nine months.

As at 31 March 2014, the aggregate land cost and ancillary costs paid for the Yangzhou Land amounted to S\$35.3 million, which was recorded as development property for sale. As such, other current assets of the Group reduced from S\$36.1 million as at 30 June 2013, to S\$0.2 million as at 31 March 2014. Trade and other receivables decreased from S\$11.1 million to S\$9.9 million, whereas inventories increased from S\$5.3 million to S\$6.2 million as a result of purchases of consumables at quarter end. Available-for-sale financial assets declined from S\$5.3 million to S\$3.6 million as at 31 March 2014, given the fall in fair values of the Group's investments.

- 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.**

With uncertainties persisting in the market demand for lime products and scrap metal, the Group will continue to navigate its business with caution and prudence. Preparations for development works on the Yangzhou Land are under way.

- 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 2014.

13. Interested Person Transactions (“IPTs”)

For the financial period ended 31.3.2014		
Name of Interested Person	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under IPT Mandate Pursuant to Rule 920)	Aggregate value of all IPTs conducted under IPT Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Amsteel Mills Sdn Bhd	--	1,030
Antara Steel Mills Sdn Bhd	--	2,487
Megasteel Sdn Bhd	--	644

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 2014, to be false or misleading in any material aspects.

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

Tan Yen Hui
Company Secretary

Singapore, 8 May 2014