


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 2019**
PART 1 - 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
Consolidated Statement of Comprehensive Income

	The Group					
	Third Quarter Ended			Nine Months Ended		
	31.3.2019	31.3.2018	+ / (-)	31.3.2019	31.3.2018	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	5,855	2,745	113	28,396	8,073	252
Other income	346	946	(63)	831	2,667	(69)
Other gains/(losses) – net	420	200	110	(51)	366	n/m
Expenses:						
Purchases of inventories	(4,033)	(1,616)	150	(22,458)	(4,863)	362
Employee compensation	(530)	(462)	15	(1,554)	(1,380)	13
Depreciation of property, plant and equipment	(162)	(234)	(31)	(592)	(721)	(18)
Other operating expenses	(1,391)	(891)	56	(4,663)	(2,830)	65
Changes in inventories	126	(93)	n/m	175	(11)	n/m
Total expenses	(5,990)	(3,296)	82	(29,092)	(9,805)	197
Profit before income tax	631	595	6	84	1,301	(94)
Income tax expense	(22)	(37)	(41)	(85)	(105)	(19)
Total profit/(loss)	609	558	9	(1)	1,196	n/m
Profit/(loss) attributable to:						
Equity holders of the Company	609	558	9	(1)	1,196	n/m
	609	558	9	(1)	1,196	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					
	Third Quarter Ended			Nine Months Ended		
	31.3.2019	31.3.2018	+ / (-)	31.3.2019	31.3.2018	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total profit/(loss)	609	558	9	(1)	1,196	n/m
Other comprehensive income/(loss): Items that may be reclassified to profit or loss:						
Available-for-sale financial assets						
- Fair value gain/(loss)	--	33	n/m	--	(35)	n/m
- Currency translation arising from consolidation	624	801	(22)	(819)	1,482	n/m
	624	834		(819)	1,447	n/m
Items that will not be reclassified to profit or loss:						
Financial assets at fair value through other comprehensive income						
- Fair value loss	(279)	--	n/m	(116)	--	n/m
Other comprehensive income/(loss), net of tax	345	834	(59)	(935)	1,447	n/m
Total comprehensive income/(loss)	954	1,392	(31)	(936)	2,643	n/m
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	954	1,392	(31)	(936)	2,643	n/m
	954	1,392	(31)	(936)	2,643	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			
	Third Quarter Ended		Nine Months Ended	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Profit/(loss) before income tax is arrived after crediting/(charging):				
Currency exchange gains/(loss) - net	279	212	(300)	354
Depreciation	(162)	(234)	(592)	(721)
Insurance	(38)	(32)	(112)	(89)
Limekiln restart costs	--	--	(230)	--
Listing expenses	(23)	(12)	(59)	(48)
Maintenance expenses	(62)	(48)	(189)	(132)
Material handling	(108)	(63)	(326)	(196)
Professional fee	--	--	(4)	(52)
Rental on operating lease	(56)	(57)	(171)	(162)
Transportation	(644)	(296)	(2,102)	(826)
Utilities	(293)	(259)	(914)	(918)
Reversal of impairment loss on trade receivables	--	641	--	1,696
Interest income:				
- bank deposits	240	275	616	742
- charged to related parties	96	12	125	35
Shortfall claims on minimum purchases from related parties	141	--	249	12

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.

Statement of Financial Position

	The Group		The Company	
	31.3.2019	30.6.2018	31.3.2019	30.6.2018
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	63,265	72,060	10,390	474
Trade and other receivables	10,414	4,500	63,850	78,045
Inventories	5,285	5,539	--	--
Income tax receivables	--	47	--	9
Other current assets	281	143	14	--
	79,245	82,289	74,254	78,528
Non-current assets				
Available-for-sale financial assets	--	258	--	--
Financial assets at fair value through other comprehensive income	123	--	--	--
Investments in subsidiaries	--	--	337	337
Property, plant and equipment	2,900	3,345	--	63
	3,023	3,603	337	400
Total assets	82,268	85,892	74,591	78,928
LIABILITIES				
Current liabilities				
Trade and other payables	3,030	2,854	1,194	1,247
Finance lease liabilities	--	30	--	30
Income tax payables	12	--	--	--
Provision	423	430	--	--
	3,465	3,314	1,194	1,277
Non-current liabilities				
Deferred income tax liabilities	224	224	224	224
	224	224	224	224
Total liabilities	3,689	3,538	1,418	1,501
NET ASSETS	78,579	82,354	73,173	77,427
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	47,494	47,494	47,494	47,494
Other reserves	(7,070)	(6,135)	--	--
Retained profits	38,155	40,995	25,679	29,933
TOTAL EQUITY	78,579	82,354	73,173	77,427

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

Amount repayable in one year or less, or on demand

The Group			
31.3.2019		30.6.2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
--	--	30	--

Details of any collateral

	The Group	
	31.3.2019	30.6.2018
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
Finance lease liabilities	--	30

As at 31 March 2019, the Group's finance lease liabilities of nil (30 June 2018: S\$30,000) are secured by the rights to a motor vehicle.

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			
	Third Quarter Ended		Nine Months Ended	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit/(loss)	609	558	(1)	1,196
Adjustments for				
- Income tax expenses	22	37	85	105
- Depreciation	162	234	592	721
- Reversal of impairment loss on trade receivables	--	(641)	--	(1,696)
- Interest income	(336)	(287)	(741)	(777)
- Property, plant and equipment written off	3	3	7	37
- Unrealised currency translation gains	(289)	(75)	298	(274)
	171	(171)	240	(688)
Changes in working capital				
- Trade and other receivables	2,146	533	(5,911)	1,621
- Inventories	401	(684)	170	(360)
- Other current assets	(184)	134	(142)	(29)
- Trade and other payables	(881)	86	223	207
Cash generated from/(used in) operations	1,653	(102)	(5,420)	751
Income tax (paid)/refund	(4)	60	(26)	(13)
Net cash generated from/(used in) operating activities	1,649	(42)	(5,446)	738
Cash flows from investing activities				
Purchases of property, plant and equipment	(36)	(406)	(230)	(476)
Interest received	390	326	662	528
Cash subjected to foreign exchange controls	215	826	3,180	3,739
Net cash generated from investing activities	569	746	3,612	3,791
Cash flows from financing activities				
Finance lease repayments	--	(15)	(30)	(45)
Dividends paid to equity holders of the Company	(2,433)	--	(2,839)	(406)
Net cash used in financing activities	(2,433)	(15)	(2,869)	(451)
Net (decrease)/increase in cash and cash equivalents	(215)	689	(4,703)	4,078
Cash and cash equivalents at beginning of financial period	25,470	27,157	30,043	23,692
Effects of currency translation on cash and cash equivalents	(11)	1	(96)	77
Cash and cash equivalents at end of financial period	25,244	27,847	25,244	27,847

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	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	7,438	6,067	7,438	6,067
Short-term bank deposits	55,827	65,207	55,827	65,207
Cash and cash equivalent in the statement of financial position	63,265	71,274	63,265	71,274
Cash subjected to foreign exchange controls	(38,021)	(43,427)	(38,021)	(43,427)
Cash and cash equivalent in the statement of cash flows	25,244	27,847	25,244	27,847

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 1.7.2018	47,494	29,933	77,427
Total comprehensive loss for the period	--	(1,784)	(1,784)
Dividends	--	(406)	(406)
Balance at 31.12.2018	47,494	27,743	75,237
Total comprehensive income for the period	--	369	369
Dividends	--	(2,433)	(2,433)
Balance at 31.3.2019	47,494	25,679	73,173
Balance at 1.7.2017	47,494	20,646	68,140
Total comprehensive income for the period	--	19,347	19,347
Dividends	--	(406)	(406)
Balance at 31.12.2017	47,494	39,587	87,081
Total comprehensive loss for the period	--	(182)	(182)
Balance at 31.3.2018	47,494	39,405	86,899

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

Group Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company							
	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 1.7.2018	47,494	105	180	(8,650)	2,112	118	40,995	82,354
Total comprehensive (loss)/income for the period	--	--	--	(1,443)	--	163	(610)	(1,890)
Dividend paid	--	--	--	--	--	--	(406)	(406)
Balance at 31.12.2018	47,494	105	180	(10,093)	2,112	281	39,979	80,058
Total comprehensive income/(loss) for the period	--	--	--	624	--	(279)	609	954
Dividend paid	--	--	--	--	--	--	(2,433)	(2,433)
Balance at 31.3.2019	47,494	105	180	(9,469)	2,112	2	38,155	78,579
Balance at 1.7.2017	47,494	105	180	(9,822)	2,112	57	40,357	80,483
Total comprehensive income/(loss) income for the period	--	--	--	681	--	(68)	638	1,251
Dividend paid	--	--	--	--	--	--	(406)	(406)
Balance at 31.12.2017	47,494	105	180	(9,141)	2,112	(11)	40,589	81,328
Total comprehensive income for the period	--	--	--	801	--	33	558	1,392
Balance at 31.3.2018	47,494	105	180	(8,340)	2,112	22	41,147	82,720

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.

	31.3.2019	31.12.2018
	No. of Shares	No. of Shares
Issued Share Capital	81,104,539	81,104,539

	31.3.2019	31.3.2018
	No. of Shares	No. of Shares
Treasury Shares held	--	--
Shares to be issued pursuant to the exercise of all the outstanding convertibles	--	--

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.

	31.3.2019	30.6.2018
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.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings 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 compared with those used in the recent audited financial statements of the Group for the financial year ended 30 June 2018.

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.**

As required by the listing requirements of the Singapore Exchange, the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") with effect from 1 July 2018. The adoption of SFRS (I) did not result in any material impact on the financial position or financial performance of 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	
		31.3.2019	31.3.2018	31.3.2019	31.3.2018
a)	Based on weighted average number of shares (cents)	0.75	0.69	--	1.47
	Weighted average number of shares ('000 shares)	81,105	81,105	81,105	81,105
b)	On a fully diluted basis (cents)	0.75	0.69	--	1.47
	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 (31.3.2018: 81,104,539).

On a fully diluted basis, there were no outstanding convertibles during the financial periods ended 31 March 2019 and 31 March 2018.

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	
	31.3.2019	30.6.2018	31.3.2019	30.6.2018
	cents	cents	cents	cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	96.89	101.54	90.22	95.47

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

For the third quarter ended 31 March 2019, the Group recorded a revenue of S\$5.9m. This represented an increase of 113% as compared to S\$2.7m in the last corresponding quarter. While the performance of steel consumables segment decelerated, the sale of lime products continued to lead the hike in turnover.

On a nine-month basis, revenue went up by 252% from S\$8.1m to S\$28.4m.

Net Earnings

For the nine-month period ended 31 March 2019, other income declined by S\$1.8m to S\$0.8m. This was owing to a reversal of impairment worth S\$1.7m last year. Interest income from bank deposits reduced by S\$0.1m resulting from the utilization of cash for working capital.

The Group incurred a foreign exchange loss of S\$0.3m for the nine-month period as compared to a gain of S\$0.3m in the last corresponding period.

Higher production costs and operating expenses incurred were in line with the increased activities in the lime segment. In particular, \$0.2m was used in the restart of a limekiln, and transportation expenses went up by \$1.3m in order to meet higher sales for lime products. The Group has posted an improvement in profit resulting in earnings of S\$0.6m for the quarter and a marginal loss of S\$1k for the nine-month period.

Cash Flow and Financial Position

As at 31 March 2019, the Group's working capital dipped to S\$75.5m from S\$78.8m as at 30 June 2018. Cash balance decreased by S\$8.8m largely due to S\$5.5m used in operating activities and distribution of S\$2.8m as dividends. The Group received interests from bank deposits of S\$0.6m but suffered a loss of S\$0.9m in currency translation.

The higher sales and purchases led to an increase in trade receivables and payables by S\$5.9m and S\$0.2m respectively. The additions of S\$0.2m in property, plant and equipment is offset by depreciation of S\$0.6m resulting a decrease of S\$0.4m.

Due to lower market price, the financial asset at fair value through other comprehensive income (previously termed as Available-for-sale financial asset) decreased by \$0.1m.

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 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 adopt necessary measures to navigate these challenges.

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 March 2019.

13. Interested Person Transactions (“IPTs”)

For the financial period ended 31.3.2019		
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	--	15,753
Antara Steel Mills Sdn Bhd	--	230

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-month ended 31 March 2019, 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**

Lah Ling San
Company Secretary

Singapore, 15 May 2019