

**LION ASIAPAC LIMITED**

(Co. Reg. No. 196800586R)

(Incorporated in the Republic of Singapore)

**First Quarter Unaudited Financial Statement Announcement  
For The Quarter Ended 30 September 2011**

**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**

	<b>The Group</b>		
	<b>1.7.2011 - 30.9.2011</b>	<b>1.7.2010 - 30.9.2010</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Continuing operations</b>			
Revenue	10,132	3,188	218
Other gains – net	1,114	606	84
Expenses:			
Purchases of inventories	(8,069)	(2,035)	297
Employee compensation	(361)	(354)	2
Depreciation of property, plant and equipment	(380)	(335)	13
Finance expenses	(5)	(5)	-
Other operating expenses	(1,252)	(621)	102
Changes in inventories	89	152	(41)
Total expenses	(9,978)	(3,198)	212
<b>Profit before income tax</b>	<b>1,268</b>	<b>596</b>	113
Income tax expense	(303)	(303)	-
<b>Profit from continuing operations</b>	<b>965</b>	<b>293</b>	229
<b>Discontinued operations</b>			
Loss from discontinued operations, net of tax	--	(123)	n/m
<b>Total profit</b>	<b>965</b>	<b>170</b>	468
<b>Profit/(Loss) attributable to:</b>			
Equity holders of the Company	966	216	347
Non-controlling interests	(1)	(46)	(98)
	<b>965</b>	<b>170</b>	468

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		
	1.7.2011 - 30.9.2011	1.7.2010 - 30.9.2010	Increase/ (Decrease)
	S\$'000	S\$'000	%
Total profit	965	170	468
<b>Other comprehensive income/(loss):</b>			
Financial assets, available-for-sale - Fair value (loss)/gains	(3,551)	982	n/m
Currency translation differences arising from consolidation	1,680	(999)	n/m
<b>Other comprehensive loss, net of tax</b>	(1,871)	(17)	10,906
<b>Total comprehensive (loss)/income</b>	<b>(906)</b>	<b>153</b>	n/m
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company	(905)	199	n/m
Non-controlling interests	(1)	(46)	(98)
	<b>(906)</b>	<b>153</b>	n/m

n/m - denotes not meaningful

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

	The Group	
	1.7.2011 - 30.9.2011	1.7.2010 - 30.9.2010
	S\$'000	S\$'000
Profit before income tax is arrived after (charging)/crediting:		
<b>Continuing operations:</b>		
Currency translation gain/(losses) - net	301	(513)
Insurance	(39)	(24)
Maintenance expenses	(76)	(60)
Listing expenses	(10)	(22)
Material handling	(72)	(46)
Professional fee	(30)	(41)
Rental on operating lease	(77)	(69)
Utilities	(262)	(142)
Interest income:		
- bank deposits	167	116
- charged to related parties and third parties	246	89
Management fee income	26	30
Gain on disposal of discontinued operations	70	--
Shortfall claims on minimum purchases from related parties	287	835

1(b)(i) A balance sheet (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	
	30.9.2011	30.6.2011	30.9.2011	30.6.2011
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	69,552	73,440	37,998	43,104
Trade and other receivables	16,232	13,035	61,734	56,113
Inventories	3,671	4,545	--	--
Other current assets	170	166	52	38
	89,625	91,186	99,784	99,255
Disposal group classified as held-for-sale	--	44	--	--
	89,625	91,230	99,784	99,255
<b>Non-current assets</b>				
Financial assets, available-for-sale	4,453	6,776	--	--
Investments in subsidiaries	--	--	964	946
Property, plant and equipment	27,391	26,502	10	10
	31,844	33,278	974	956
<b>Total assets</b>	<b>121,469</b>	<b>124,508</b>	<b>100,758</b>	<b>100,211</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	4,068	6,038	474	454
Borrowings	8	259	--	--
Current income tax liabilities	2,788	2,791	30	30
	6,864	9,088	504	484
Liabilities directly associated with disposal group classified as held-for-sale	--	119	--	--
	6,864	9,207	504	484
<b>Non-current liabilities</b>				
Deferred income tax liabilities	2,697	2,469	499	551
	2,697	2,469	499	551
<b>Total liabilities</b>	<b>9,561</b>	<b>11,676</b>	<b>1,003</b>	<b>1,035</b>
<b>NET ASSETS</b>	<b>111,908</b>	<b>112,832</b>	<b>99,755</b>	<b>99,176</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	4,429	6,300	13,543	13,543
Retained profits	58,370	57,422	38,718	38,139
	110,293	111,216	99,755	99,176
<b>Non-controlling interests</b>	1,615	1,616	--	--
<b>TOTAL EQUITY</b>	<b>111,908</b>	<b>112,832</b>	<b>99,755</b>	<b>99,176</b>

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

**Amount repayable in one year or less, or on demand**

<b>The Group</b>			
<b>30.9.2011</b>		<b>30.6.2011</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
8	--	259	--

**Amount repayable after one year**

<b>The Group</b>			
<b>30.9.2011</b>		<b>30.6.2011</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
--	--	--	--

**Details of any collateral**

	<b>The Group</b>	
	<b>30.9.2011</b>	<b>30.6.2011</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Borrowings</b>		
<b>Amount repayable in one year or less, or on demand</b>		
Finance lease liabilities	8	17
<b>Amount repayable after one year</b>		
Finance lease liabilities	--	--

As at 30 September 2011, the Group's finance lease liabilities of S\$8,000 (30 June 2011: S\$17,000) are secured by the rights to the leased buildings, which will revert to the lessor in the event of default by the Group.

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

**Consolidated Statement of Cash Flows**

	<b>The Group</b>	
	<b>1.7.2011 - 30.9.2011</b>	<b>1.7.2010 - 30.9.2010</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Total profit	965	170
Adjustments for		
- Income tax expense	225	263
- Depreciation of property, plant and equipment	380	336
- Interest expenses	5	5
- Interest income	(413)	(207)
- (Gain)/loss on disposal of property, plant and equipment	(1)	2
- Unrealised currency translation (gain)/losses	(40)	608
	1,121	1,177
Change in working capital		
- Trade and other receivables	(2,950)	(767)
- Inventories	874	(19)
- Other current assets	40	(260)
- Trade and other payables	(2,089)	(2,903)
<b>Cash (used in)/generated from operations</b>	<b>(3,004)</b>	<b>(2,772)</b>
Income tax paid	--	(169)
<b>Net cash (used in)/provided by operating activities</b>	<b>(3,004)</b>	<b>(2,941)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(1,271)	(160)
Purchases of financial assets, available-for-sale	(1,228)	(957)
Proceeds from disposal of property, plant and equipment	3	1
Interest received	166	118
<b>Net cash (used in)/provided by investing activities</b>	<b>(2,330)</b>	<b>(998)</b>
<b>Cash flows from financing activities</b>		
Dividend paid to equity holders of the Company	--	(40,552)
Proceeds from borrowings	--	338
Repayment of borrowings	(234)	--
Purchase of additional interest in subsidiary	(18)	--
Repayment of lease liabilities	(17)	(7)
Interest paid	(5)	(5)
<b>Net cash used in financing activities</b>	<b>(274)</b>	<b>(40,226)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,608)</b>	<b>(44,165)</b>
Cash and cash equivalents at beginning of financial period	73,440	125,342
Effects of currency translation on cash and cash equivalents	1,720	(1,245)
<b>Cash and cash equivalents at end of financial period</b>	<b>69,552</b>	<b>79,932</b>

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>30.9.2011</b>	<b>30.9.2010</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash at bank and on hand	3,400	5,970
Short-term bank deposits	66,152	73,962
	<b>69,552</b>	<b>79,932</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

**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		
<b>Balance at 1.7.2011</b>	47,494	105	(4,436)	(4,988)	13,543	2,112	(36)	57,422	111,216	1,616	112,832
Total comprehensive (loss)/income for the period	--	--	(3,551)	1,680	--	--	--	966	(905)	(1)	(906)
Purchase of additional equity interest in a subsidiary	--	--	--	--	--	--	--	(18)	(18)	--	(18)
<b>Balance at 30.9.2011</b>	<b>47,494</b>	<b>105</b>	<b>(7,987)</b>	<b>(3,308)</b>	<b>13,543</b>	<b>2,112</b>	<b>(36)</b>	<b>58,370</b>	<b>110,293</b>	<b>1,615</b>	<b>111,908</b>
<b>Balance at 1.7.2010</b>	47,494	105	(1,902)	(1,211)	13,543	2,112	(36)	54,583	114,688	1,738	116,426
Total comprehensive (loss)/income for the period	--	--	982	(999)	--	--	--	216	199	(46)	153
<b>Balance at 30.9.2010</b>	<b>47,494</b>	<b>105</b>	<b>(920)</b>	<b>(2,210)</b>	<b>13,543</b>	<b>2,112</b>	<b>(36)</b>	<b>54,799</b>	<b>114,887</b>	<b>1,692</b>	<b>116,579</b>

**Statement of Changes in Equity – The Company**

	Share capital	Capital reduction reserve	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1.7.2011</b>	47,494	13,543	38,139	99,176
Total comprehensive profit for the period	--	--	579	579
<b>Balance at 30.9.2011</b>	<b>47,494</b>	<b>13,543</b>	<b>38,718</b>	<b>99,755</b>
<b>Balance at 1.7.2010</b>	47,494	13,543	22,081	83,118
Total comprehensive loss for the period	--	--	(460)	(460)
<b>Balance at 30.9.2010</b>	<b>47,494</b>	<b>13,543</b>	<b>21,621</b>	<b>82,658</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

	30.9.2011	30.9.2010
	No. of Shares	No. of Shares
Issued Share Capital (Note A)	405,522,724	405,522,724
Treasury Shares held	--	--
Shares to be issued pursuant to the exercise of all the outstanding share options (Note B)	328,500	388,500

**Note A**

No movement in the number of ordinary shares in issue for both financial periods ended 30.9.2011 and 30.9.2010.

**Note B**

Movement in the number of unissued ordinary shares under LAP Share Option Scheme and their exercise prices are set out as follows:

	No. of unissued ordinary shares under option				Exercise price	Exercise period
	As at 1.7.2011	Exercised during financial period	Lapsed/forfeited during financial period	As at 30.9.2011		
2007 Options	328,500	--	--	328,500	\$0.24	30.11.2008 – 29.11.2012
	As at 1.7.2010	Exercised during financial period	Lapsed/forfeited during financial period	As at 30.9.2010	Exercise price	Exercise period
2007 Options	388,500	-	-	388,500	\$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.

	30.9.2011	30.6.2011
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 2011.

**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	
		30.9.2011	30.9.2010
(i)	Based on weighted average number of shares (cents)	0.24	0.05
	- Weighted average number of shares ('000 shares)	405,523	405,523
(ii)	On a fully diluted basis (cents)	0.24	0.05
	- Weighted average number of shares ('000 shares)	405,523	405,610

Earnings per ordinary share is computed based on the weighted average number of issued shares of 405,522,724 (30.9.2010: 405,522,724).

On a fully diluted basis:

- the exercise of the outstanding share options for financial period ended 30 September 2011 have not been taken into account as they are anti-dilutive in nature.
- the earnings per share for financial period ended 30 September 2010 is computed based on the weighted average number of shares adjusted for the effect of all dilutive potential 405,610,450 ordinary shares arising from the assumed exercise of share options.

**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	
	30.9.2011	30.6.2011	30.9.2011	30.6.2011
Net asset value per ordinary share based on total number of issued shares excluding treasury shares (cents)	27.20	27.43	24.60	24.46

**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.**

For the first quarter ended 30 September 2011, the Group's quicklime business registered a 56% increase in revenue to S\$5.0 million, from S\$3.2 million in the last corresponding quarter. This included a minor contribution from the hydrated lime plant, which has commenced operations. Accordingly, earnings increased by 54% from S\$0.46 million to S\$0.71 million.

During this quarter, the scrap metal trading business generated revenue of S\$5.1 million and earnings of S\$0.12 million. Whereas, it did not carry out any trade during the last corresponding quarter.

Accordingly, the Group's turnover rose from S\$3.2 million to S\$10.1 million in this quarter, and net earnings went up from S\$0.2 million to S\$1.0 million.

During this quarter, other operating expenses of the Group increased one-fold to S\$1.3 million, mostly due to increases in utilities and overheads which were mainly attributable to the quicklime division, as a result of price hikes. Other net gains increased by 84% to S\$1.1 million, which included a currency translation gain of S\$0.3 million, whilst a currency translation loss of S\$0.5 million was incurred in the last corresponding quarter.

The Group's financial position remained healthy, with a working capital of S\$82.8 million as at 30 September 2011. The Group's net cash used in operating activities was S\$3.0 million, mainly due to payments made to suppliers and for operating expenses. Accordingly, trade and other payables went down from S\$6.0 million as at 30 June 2011 to S\$4.1 million as at 30 September 2011. Trade receivables increased from S\$13.0 million to S\$16.2 million, while inventories reduced from S\$4.5 million to S\$3.7 million, in tandem with the increased turnover.

During this quarter, the purchases of property, plant and equipment pertaining to the expansion of quicklime plant and construction of hydrated lime plant amounted to S\$1.3 million. The Group injected another S\$1.2 million in Mindax Limited ("**Mindax**"), a minerals exploration company listed in Australia, by subscribing for its rights issue. After taking into account a fair value loss, available-for-sale financial assets, relating to the investment in Mindax, stood at S\$4.5 million as at 30 September 2011.

**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.**

Given the global economic slowdown and market uncertainties, the Group will continue to tread on cautious ground in conducting its businesses.

To enhance the Group's asset and earnings bases, continuous focus will be placed on seeking new investment projects.

**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 30 September 2011.

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

For the financial period ended 30.9.2011		
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	--	1,799
Antara Steel Mills Sdn Bhd	--	5,479
Megasteel Sdn Bhd	--	1,266

**14. Confirmation by Directors**

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 first quarter ended 30 September 2011, to be false or misleading.

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

Tan Yen Hui  
Company Secretary

Singapore, 27 October 2011