LION ASIAPAC LIMITED
(Registration No: 196800586R)

Unaudited Condensed Interim Financial Statements

For the first quarter ended 30 September 2021

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		The Group		
		First Quarter Ended		
	Note	30.9.2021	30.9.2020	+/-
		S$'000	S$'000	%
Revenue	7	6,768	4,700	44
Other income and gains	8	499	707	(29)
Expenses:				
Purchases of inventories		(4,853)	(2,736)	77
Depreciation of property, plant and equipment		(282)	(164)	72
Depreciation right-of-use assets		(50)	(52)	(4)
Employee compensation		(574)	(512)	12
Finance costs		(24)	(25)	(4)
Other expenses	9	(1,247)	(1,359)	(8)
Changes in inventories		(184)	--	n.m
Total expenses		(7,214)	(4,848)	49
Profit before income tax		**53**	**559**	(91)
Income tax expense	10	(30)	(34)	(12)
Total profit		**23**	**525**	(96)
Profit attributable to:				
Equity holders of the Company		23	525	(96)
		23	**525**	(96)

n.m - denotes not meaningful

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (Cont'd)

Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Currency translation differences arising from consolidation		459	681	(33)
Items that will not be reclassified to profit or loss:				
Fair value changes on equity instruments at fair value through other comprehensive income	14	(694)	--	n.m
Other comprehensive (loss)/income, net of tax		**(235)**	**681**	(135)
Total comprehensive (loss)/income		**(212)**	**1,206**	n.m
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company		(212)	1,206	n.m
		(212)	**1,206**	n.m
Earnings per share				
Basic and diluted earnings per share (cents)	11	**0.03**	**0.65**	

n.m - denotes not meaningful

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30.9.2021	**30.6.2021**	**30.9.2021**	**30.6.2021**
		S$'000	**S$'000**	**S$'000**	**S$'000**
ASSETS					
Current assets					
Cash and cash equivalents	16	65,572	64,206	9,999	10,044
Trade and other receivables	15	6,121	6,212	27	23
Inventories		4,687	4,702	--	--
Other non-financial assets		377	356	14	1
		76,757	75,476	10,040	10,068
Non-current assets					
Other financial assets	14	1,571	2,265	--	--
Investments in subsidiaries		--	--	63,497	63,497
Property, plant and equipment	13	2,138	2,393	--	--
Right-of-use assets		1,230	1,277	--	--
		4,939	5,935	63,497	63,497
Total assets		**81,696**	**81,411**	**73,537**	**73,565**
LIABILITIES					
Current liabilities					
Trade and other payables		2,826	2,267	1,297	1,246
Income tax payables		49	73	--	--
Lease liabilities		170	169	--	--
Provision		414	413	--	--
		3,459	2,922	1,297	1,246
Non-current liabilities					
Deferred tax liabilities		224	224	224	224
Lease liabilities		1,141	1,181	--	--
		1,365	1,405	224	224
Total liabilities		**4,824**	**4,327**	**1,521**	**1,470**
NET ASSETS		**76,872**	**77,084**	**72,016**	**72,095**
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	17	47,494	47,494	47,494	47,494
Other reserves		(4,699)	(4,464)	--	--
Retained earnings		34,077	34,054	24,522	24,601
Total equity		**76,872**	**77,084**	**72,016**	**72,095**

C. Condensed interim statements of changes in equity

Consolidated Statement of Changes in Equity – The Group

	Attributable to equity holders of the Company						
	Share capital	Fair value reserve	Currency translation reserve	Capital reserve	Statutory Reserve	Retained earnings	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1.7.2021	**47,494**	**2,265**	**(9,021)**	**2,112**	**180**	**34,054**	**77,084**
Total comprehensive (loss)/income for the period	--	(694)	459	--	--	23	(212)
Balance at 30.9.2021	**47,494**	**1,571**	**(8,562)**	**2,112**	**180**	**34,077**	**76,872**
Balance at 1.7.2020	**47,494**	**--**	**(10,412)**	**2,112**	**180**	**33,117**	**72,491**
Total comprehensive income for the period	--	--	681	--	--	525	1,206
Balance at 30.9.2020	**47,494**	**--**	**(9,731)**	**2,112**	**180**	**33,642**	**73,697**

C. Condensed interim statements of changes in equity (Cont'd)

Statement of Changes in Equity – The Company

	Share capital	Retained earnings	Total
	S$'000	S$'000	S$'000
Balance at 1.7.2021	**47,494**	**24,601**	**72,095**
Total comprehensive loss for the period	--	(79)	(79)
Balance at 30.9.2021	**47,494**	**24,522**	**72,016**
Balance at 1.7.2020	**47,494**	**22,547**	**70,041**
Total comprehensive loss for the period	--	(78)	(78)
Balance at 30.9.2020	**47,494**	**22,469**	**69,963**

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D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		First Quarter Ended	
		30.9.2021	30.9.2020
		S$'000	S$'000
Cash flows from operating activities			
Profit before tax		53	559
Adjustments for :			
- Depreciation of property, plant and equipment		282	164
- Depreciation of right-of-use assets		50	52
- Property, plant and equipment written off		2	7
- Interest expense		24	25
- Interest income		(224)	(268)
- Unrealised currency translation gains		(233)	(495)
Operating cash flows before changes in working capital		**(46)**	**44**
- Trade and other receivables		137	(222)
- Inventories		29	(1,322)
- Other non-financial assets		(20)	(3)
- Trade and other payables		554	1,482
Net cash from/(used in) operations		654	(21)
Income tax paid		(23)	(48)
Net cash from/(used in) operating activities		**631**	**(69)**
Cash flows from investing activities			
Purchases of property, plant and equipment		(22)	(518)
Interest received		45	248
Cash subjected to foreign exchange control		--	--
Net cash from/(used in) investing activities		**23**	**(270)**
Cash flows from financing activities			
Interest paid		(24)	(25)
Repayment of lease liabilities – principal portion		(45)	(33)
Dividends paid to equity holders of the Company		--	--
Net cash used in financing activities		**(69)**	**(58)**
Net increase/(decrease) in cash and cash equivalents		**585**	**(397)**
Cash and cash equivalents at beginning of financial period		29,073	31,925
Effects of currency translation on cash and cash equivalents		159	389
Cash and cash equivalents at end of financial period	16	**29,817**	**31,917**

E. Notes to the condensed interim consolidated financial statements

1. General

The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore with limited liabilities. The address of its registered office is 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957. The financial statements are presented in Singapore dollars and they cover the Company (referred to as "parent") and the subsidiaries.

The principal activities of the Group are:

(a) Lime manufacturing;
(b) Trading of steel consumables; and
(c) Investment holding.

The condensed interim financial statements for the period ended 30 September 2021 have not been audited or reviewed.

2. Basis of preparation

The condensed interim financial statements for the period ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes were included to explain events and transactions that were significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the year ended 30 June 2021.

The accounting policies adopted were consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements were presented in Singapore dollar which was the Company's functional currency.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Critical judgements, assumptions and estimation uncertainties

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

Estimates and underlying assumptions were reviewed on an ongoing basis. Revisions to accounting estimates were recognised in the period in which the estimates were revised and in any future periods affected.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

2.2. Critical judgements, assumptions and estimation uncertainties (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 14 – Assessment of impairment loss on property, plant and equipment
- Note 16 – Assessment of expected loss on trade receivable

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

4. Related party transactions

	First quarter ended	
	30.6.2021	30.9.2020
	S$'000	S$'000
Significant related party transactions:		
Revenue	**2,650**	740
Purchase of goods	**22**	20
Rental	**30**	30

E. Notes to the condensed interim consolidated financial statements (Cont'd)

5. Financial information by operating segments

The segments and the types of products and services are as follows:

a) Manufacturing of lime – manufacturing and sales of quicklime, hydrated lime and quicklime powder.
b) Trading of steel consumables – trading of consumables required for steel product manufacturing.
c) Investment holding/others – managing investments

The Group	Lime manufacturing	Consumables trading	Investment holding	Total for continuing operations
	$'000	$'000	$'000	$'000
First quarter ended 30 September 2021				
Revenue	4,519	2,249	--	6,768
Segment result	(181)	(162)	(103)	(446)
Other income and gains	30	83	386	499
Profit before income tax				53
Income tax expense				(30)
Total profit				23
Non-cash expenses				
Depreciation – segment	296	34	2	332
Reportable segment assets and consolidated total assets	18,416	15,683	47,597	81,696
Reportable segment liabilities	3,600	339	661	4,600
Unallocated:				
Deferred tax liabilities				224
Consolidated total liabilities				4,824
Other reportable segment item				
Capital expenditure	22	--	--	22

E. Notes to the condensed interim consolidated financial statements (Cont'd)

5. Financial information by operating segments (Cont'd)

The Group	Lime manufacturing	Consumables trading	Investment holding	Total for continuing operations
	$'000	$'000	$'000	$'000
First quarter ended 30 September 2020				
Revenue	4,700	--	--	4,700
Segment result	200	(219)	(129)	(148)
Other income and gains	124	115	468	707
Profit before income tax				559
Income tax expense				(34)
Total profit				525
Non-cash expenses				
Depreciation – segment	179	35	2	216
Reportable segment assets and consolidated total assets	19,722	15,538	44,236	79,496
Reportable segment liabilities	4,705	218	652	5,575
Unallocated:				
Deferred tax liabilities				224
Consolidated total liabilities				5,799
Other reportable segment item				
Capital expenditure	518	--	--	518

Geographical information

As at 30 September 2021, the Group's three business segments operated in three main geographical areas:

Malaysia – the main activity is sales of lime and trading of steel consumables;
Australia – the main activity is investment holding.
Singapore – the main activity is investment holding.

	Revenue First quarter ended		Non-current assets First quarter ended	
	30.9.2021	30.9.2020	**30.9.2021**	30.9.2020
	S$'000	S$'000	**S$'000**	S$'000
Malaysia	**6,712**	4,582	**3,216**	3,819
Australia	**--**	--	**1,571**	--
Singapore	**56**	118	**152**	30
	6,768	4,700	**4,939**	3,849

E. Notes to the condensed interim consolidated financial statements (Cont'd)

6. Financial assets and financial liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	30.9.2021	30.6.2020	**30.9.2021**	30.6.2020
	S$'000	S$'000	**S$'000**	S$'000
Financial assets:				
Financial assets at amortised cost	**71,693**	70,418	**10,026**	10,067
Financial assets at fair value through other comprehensive income	**1,571**	2,265	**--**	--
At end of the year	**73,264**	72,683	**10,026**	10,067
Financial liabilities:				
Financial liabilities at amortised cost	**4,137**	3,617	**1,297**	1,246
At end of the year	**4,137**	3,617	**1,297**	1,246

7. Revenue

Revenue from contracts with customers

	First quarter ended	
	30.9.2021	30.9.2020
	S$'000	S$'000
Sales	**6,768**	4,700

8. Other income and gains

	First quarter ended	
	30.9.2021	30.9.2020
	S$'000	S$'000
Interest income	**224**	268
Exchange gain	**226**	290
Penalties from shortfall on minimum purchases	**18**	85
Rental recharged	**24**	24
Others	**7**	40
	499	707

E. Notes to the condensed interim consolidated financial statements (Cont'd)

9. Other expenses

The major and other selected components include the following:

	First quarter ended	
	30.9.2021	30.9.2020
	S$'000	S$'000
Maintenance expense	**52**	87
Material handling	**94**	95
Transportation expense	**570**	610
Utilities	**316**	299

10. Income tax

	First quarter ended	
	30.9 2021	30.9.2020
	S$'000	S$'000
Current income tax	**30**	34

11. Earnings per share

	First quarter ended	
	30.9.2021	30.9.2020
	S$'000	S$'000
Profit, net of tax attributable to owners of the Company (S$'000)	**23**	525
Weighted average number of ordinary shares ('000)	**81,105**	81,105
Earnings per share (cents)	**0.03**	0.65

The diluted earnings per share was the same as the basic earnings per share as there were no share options outstanding (30.9.2020: Nil).

12. Net asset value

	Group		Company	
	30.9 2021	30.6.2021	**30.9 2021**	30.6.2021
	S$'000	S$'000	**S$'000**	S$'000
Net asset value per ordinary share	94.78	95.04	88.79	88.89

E. Notes to the condensed interim consolidated financial statements (Cont'd)

13. Property, plant and equipment

For the quicklime plant, no impairment was considered necessary as the plant was scheduled to be fully depreciated during the year. Additionally, its economic useful life was expected to extend beyond the financial year.

For the quicklime powder plant, the Group has assessed its recoverable amount, based on the value in use (VIU) approach, and concluded that the recoverable amount was higher than the carrying value.

Key assumptions and inputs used in determining the recoverable amount based on VIU:

1. Plant utilisation rate, based on the forecasted production volume of sales, divided by plant production capacity.

2. Estimated discount rate.

3. Revenue growth rate.

4. Plant useful life.

14. Other financial assets

	Group	
	30.6 2021	30.6.2020
	S$'000	S$'000
Movements during the year:		
Fair value at beginning of the year	**2,265**	--
Increase in fair value through other comprehensive income	**(694)**	2,265
Fair value at end of the year	**1,571**	2,265

Other financial assets comprised the quoted shares of Mindax Limited, which was listed on the Australian Securities Exchange ("ASX"). The equity investment was classified as level 1 in the fair value hierarchy as it was traded in an active market.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

15. Trade and other receivables

The impairment allowance was based on the individual assessment of the large balances and the use of a matrix for the smaller balances based on its historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and was adjusted for forward-looking estimates. At each reporting date, the historical observed default rates were updated and changes in the forward-looking estimates were analysed. The loss allowance was determined for trade receivables as follow:

Aging analysis of trade receivables that are past due:

Group	Gross amount S$'000	Loss allowance S$'000
30.9.2021:		
Within credit limit	**4,180**	**--**
1 to 30 days past due	**465**	**--**
31 to 60 days past due	**360**	**--**
61 to 90 days past due	**338**	**--**
Over 90 days past due	**119**	**9**
Total	**5,462**	**9**

Group	Gross amount S$'000	Loss allowance S$'000
30.6.2021:		
Within credit limit	4,318	--
1 to 30 days past due	514	--
31 to 60 days past due	379	--
61 to 90 days past due	286	--
Over 90 days past due	164	9
Total	5,661	9

There were no significant changes in credit risk by comparing the debtor's credit risk at initial recognition with the credit risk at the reporting date. Accordingly, no allowances were considered necessary.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

16. Cash and cash equivalents

	Group		Company	
	30.9 2021	30.6.2021	**30.9 2021**	30.6.2021
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**5,699**	3,533	**479**	531
Fixed deposits	**59,873**	60,673	**9,520**	9,513
Cash at end of the year	**65,572**	64,206	**9,999**	10,044

Cash and cash equivalents in the statement of cash flows:

	Group	
	30.9 2021	30.6.2021
	S$'000	S$'000
Amount as shown above	**65,572**	64,206
Cash subjected to foreign exchange control	**(35,755)**	(35,133)
Cash and cash equivalents in the statement of cash flows	**29,817**	29,073

17. Share capital

	Number of shares issued	Share capital S$'000
Issued share capital		
Balances as 30.6.2021, and 30.9.2021	81,104,539	47,494
Treasury shares		
Balances as 30.9.2020, 30.6.2021 and 30.9.2021	--	--
Total number of issued shares excluding treasury shares		
Balances as 30.9.2020, 30.6.2021 and 30.9.2021	81,104,539	47,494

18. Subsequent events

There were no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

Other information Required by Lisitng Rule Appendix 7.2

F. Other information required by Listing Rule Appendix 7.2

1. Review of the performance of the group

Turnover and Net Earnings

Quarter on quarter, the Group's revenue from lime manufacturing declined by 4% to S$4.5m owing to fewer orders. For the steel consumable trading, the Group recorded a revenue of S$2.2m. There were no sales in the previous quarter.

The reduction of S$0.2m in other income and gains, was mainly due to a reduced foreign currency translation gain by S$0.1m and a smaller shortfall claim on minimum order quantity by S$0.1m.

Total expenses increased by S$2.4m, primarily due to the purchases of steel consumables of S$2.2m.

The lime manufacturing segment made a loss of S$0.2m against a profit of S$0.2m in the last quarter, largely owing to increased production consumables costs and higher overhead costs. The Group made S$0.2m loss and S$0.1m loss respectively for consumable trading and investment holding for the quarter.

Overall, the Group's net earnings decreased by S$0.5m to S$0.02m, quarter on quarter.

Cash Flow and Financial Position

The Group's working capital stood at S$72.9m, an increase of S$0.7m during the quarter, due mainly to the unrealised exchange gain from its cash denominated in Renminbi.

Other financial assets comprise the equity shares of Mindax Limited, which value has dropped by S$0.7m due to the declined share price.

Trade and other payables increased by S$0.6m owing from additional purchases made. The net operating cash inflow of S$0.6m and the unrealised exchange gain, of S$0.7m, from the Group's Renminbi holding for the quarter have increased the Group's cash balance by S$1.4m to S$65.6m as at quarter-end.

2. Where a forecast, or a prospectus statement, has been previously disclosed to shareholders, any variances between it and the actual results

No forecast has been issued.

F. Other information required by Listing Rule Appendix 7.2 (Cont'd)

3. 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 operating period and the next 12 months

The Group's operations are subject to the market conditions and challenges of the steel industry. Current market uncertainties are expected to pose headwinds for the Group's businesses. The Group will continue to exercise caution in navigating these challenges.

4. 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.

5. If no dividend has been declared/recommended, a statement to that effect

There were no dividends declared as the Company considered it necessary to conserve cash for future operations in view of the Group's business strategy.

F. Other information required by Listing Rule Appendix 7.2 (Cont'd)

6. Interested person transactions

Interested Person Transactions ("IPTs")

For the financial period ended 30.9.2021		
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**
Associate of Tan Sri Cheng Heng Jem, a Director and a Substantial Shareholder of the Company		
Sales of lime products		
Amsteel Mills Sdn Bhd	--	401
Sales of steel consumables		
Amsteel Mills Sdn Bhd	--	2,249

7. Use of proceeds

Not applicable.

8. Confirmation by Directors Pursuant to Rule 705(5) of the SGX Listing Manual

The Directors confirmed that, to the best of their knowledge, nothing has come to their attention which may render the interim financial results of Lion Asiapac Limited for the first quarter ended 30 September 2021 to be false or misleading in any material aspects.

F. Other information required by Listing Rule Appendix 7.2 (Cont'd)

9. Confirmation pursuant to rule 720(1) of the Listing Manual

The Company confirmed that undertakings pursuant to Rule 720(1) of the SGX Listing Manual had been obtained from all its Directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

BY ORDER OF THE BOARD
LION ASIAPAC LIMITED

Lah Ling San
Company Secretary

Singapore, 11 November 2021