LION ASIAPAC LIMITED

(Co. Reg. No. 196800586R)

ANNUAL REPORT 2014

Contents

Corporate Information

BOARD OF DIRECTORS

Othman Bin Wok, *Chairman*
Loh Kgai Mun, *Executive Director*
Tan Sri Cheng Heng Jem
Sam Chong Keen
Cheng Theng How
Lee Whay Keong

AUDIT COMMITTEE

Othman Bin Wok, *Chairman*
Sam Chong Keen
Cheng Theng How

NOMINATING COMMITTEE

Othman Bin Wok, *Chairman*
Sam Chong Keen
Cheng Theng How

REMUNERATION COMMITTEE

Othman Bin Wok, *Chairman*
Sam Chong Keen
Cheng Theng How

COMPANY SECRETARIES

Tan Yen Hui, ACIS
Silvester Bernard Grant, ACIS

REGISTERED OFFICE

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Singapore 409957
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Website: www.lionapac.com

REGISTRARS

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63 Cantonment Road
Singapore 089758
Tel: (65) 6593 4848
Fax: (65) 6593 4847

AUDITORS

RSM Chio Lim LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095
Tel: (65) 6533 7600
Fax: (65) 6538 7600

Partner-in-charge of audit:
Kaka Singh
(Appointed from the
financial year ended 30 June 2014)

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

Malayan Banking Berhad
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Singapore 049907

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12 Marina Boulevard, Level 28
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (65) 6416 8000
Fax: (65) 6532 5711

Chairman's Message

OTHMAN BIN WOK *Chairman*

"FY 2014 was another profitable yet challenging year for the Group, against the backdrop of slower growth in Asia and heightening competition in the industries where we operate."

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 June 2014 ("FY 2014").

FY 2014 was another profitable yet challenging year for the Group, against the backdrop of slower growth in Asia and heightening competition in the industries where we operate. Moving forward, our strategy is to tread on cautious grounds and brace ourselves for any further challenges.

GROUP PERFORMANCE

During FY 2014, the Group's turnover grew by 7% to S$32.9 million, from last financial year's S$30.8 million. Net earnings hovered at about S$1.8 million.

Despite intense competition in both the local and export markets, and a slowdown in demand since the second half year, revenue from lime business increased by S$2.2 million to S$25.1 million.

Sales trend for scrap metal trading business continued to be uneven and sporadic, and revenue declined by S$0.1 million to S$7.8 million.

As a result of a drop in share prices of Lion Corporation Berhad and Mindax Limited, impairments totaling S$0.7 million were made for these investments. This, coupled with increased expenses for lime production, gave rise to a 19% increase in other expenses of the Group to S$5.0 million.

If these impairments were not included, net earnings would be S$2.5 million. Likewise, last year's net earnings would have been S$2.2 million, if S$0.4 million in impairment was not accounted for. On this basis, net earnings would have risen by 14%.

FINANCIAL POSITION

Maintaining a healthy liquidity position, the Group's working capital was S$63.5 million as at 30 June 2014. Cash balance of the Group went down from S$66.4 million as at 30 June 2013, to S$49.0 million as at 30 June 2014, largely attributable to S$17.7 million in final settlement for the land acquired in Yangzhou, which in turn resulted in trade and other payables decreasing from S$21.9 million to S$3.9 million.

Chairman's Message

As at 30 June 2014, land acquisition cost of S$35.2 million was recorded as development property for sale, giving rise to a fall in other current assets from S$36.1 million to S$0.2 million, and also S$16.9 million in net cash deployed in operating activities.

Trade and other receivables of the Group increased from S$11.1 million as at 30 June 2013 to S$12.3 million as at 30 June 2014, and inventories went up from S$5.3 million to S$6.3 million. The impairments brought about a reduction in the Group's available-for-sale financial assets from S$5.3 million to S$2.9 million.

DIVIDEND

The Board is pleased to propose a first and final dividend of 0.1 cent per ordinary share (tax-exempt one-tier) for FY 2014, subject to shareholder approval at the upcoming annual general meeting ("AGM").

LOOKING AHEAD

As the world economies are susceptible to effects arising from the cool down in USA monetary stimulus and the structural reforms in China, we maintain a cautious outlook for the Group's businesses. Also, the operating landscape is increasingly difficult, given the unrelenting competition for market share, coupled with spiraling costs and tapering profit margins further exacerbated by rising inflation.

Nonetheless, we are committed to deliver performance and value to our shareholders, through staying prudent and yet enterprising, with agility and dexterity. Focus will always remain on the growth and long term sustainability of the Group.

After years of trading in scrap metal, which is one of the numerous consumables required for steel product manufacturing, we have seen opportunities in supplying other consumables such as billets, ingots, slabs, petroleum coke, limestone chips, ferro silicon and thermocouple to the steel mills. A wider product mix will help the Group to leverage on the trading business, with the view to augment revenue and earnings bases. As such, sale of steel product consumables will be proposed by the Company for shareholders' approval at the forthcoming AGM.

ACKNOWLEDGEMENT

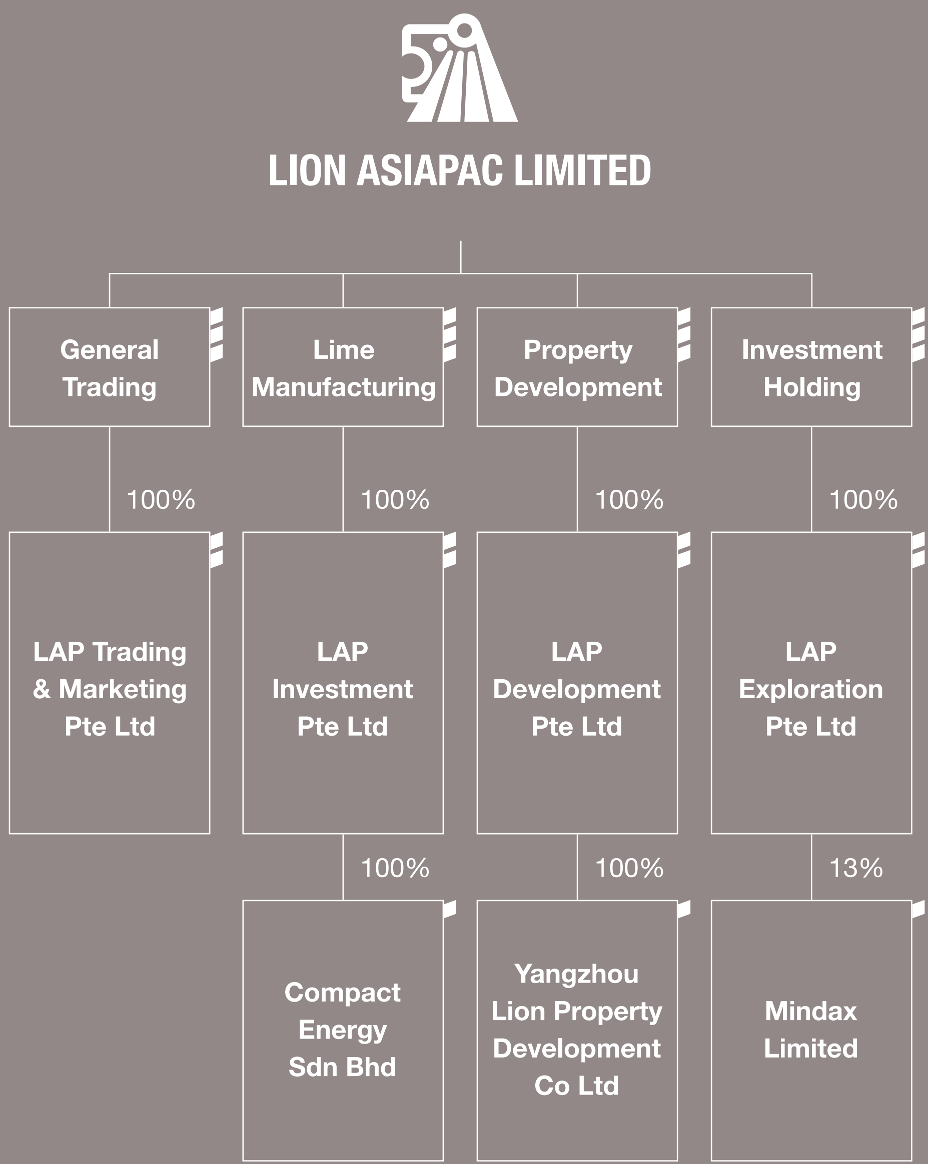
On behalf of the Board, I would like to express my utmost appreciation to the management and staff for their hard work, dedication and resilience during such challenging time, and also to my fellow Directors for their advice and strategic guidance to the Group.

Sincere gratitude is also extended to our customers, suppliers, business associates and shareholders for their unwavering support and continued partnership.

Othman Bin Wok
Chairman

Business Structure

As at 23 September 2014



Business Review

Lime manufacturing and scrap metal trading are the core businesses of the Group, contributing to its revenue and bottom line. Having acquired a plot of land in Yangzhou for just over a year, the property development division has yet to generate any income in the near future.

During the financial year ended 30 June 2014 ("FY 2014"), the Group's revenue rose by 7% from S$30.8 million to S$32.9 million. Whereas, earnings from business operations decreased by 11% from S$1.8 million to S$1.6 million, owing to higher overheads and an impairment loss.

LIME MANUFACTURING ("LIME")

During FY 2014, lime revenue rose by S$2.2 million to S$25.1 million, despite lower sales volume in second half of the year. Earnings increased by S$0.4 million to S$2.0 million, after offsetting S$0.6 million in impairment on an investment. If this impairment were not accounted for, earnings would be S$2.6 million. Likewise, earnings would have been S$2.0 million last year if no impairment were included.

SCRAP METAL TRADING ("SCRAP METAL")

Scrap Metal continued to experience volatilities in market demand, and revenue fell by S$0.1 million to S$7.8 million during FY 2014. Following the Group's cost restructuring exercise in the second half of the year, Scrap Metal's expenses went up, resulting in a loss of S$0.2 million, compared with earnings of S$0.2 million in the last year.

Scrap metal is one of the consumables required for steel product manufacturing. Other consumables include billets, ingots, slabs, petroleum coke, casting oil, limestone chips, ferro silicon and thermocouple, etc. To enlarge the stream of recurring revenue for the trading business, as well as to address the fluctuating earnings trend, the Company proposes to expand the scope from scrap metal to steel product consumables.

PROPERTY DEVELOPMENT ("DEVELOPMENT")

Development expenditure amounted to S$229,000 during FY 2014, an increase from last year's S$28,000. The plot of land acquired in Yangzhou, costing S$35.2 million, is to be developed as a mixed-use residential cum commercial project.

Board of Directors

OTHMAN BIN WOK *Chairman & Independent Director*

Mr Othman Bin Wok is the Chairman of the Board and an Independent Director since March 1996. He is also the Chairman of the Audit Committee, Nominating Committee and Remuneration Committee. He is subject to re-election as Director at each annual general meeting of the Company pursuant to Section 153(6) of the Companies Act, Cap. 50.

Mr Othman started his career in journalism with Utusan Melayu Press, Singapore in 1946 and left as Deputy Editor after 17 years.

In 1963, Mr Othman was the Minister for Social Affairs in Singapore for 14 years till 1977, and then as the Singapore Ambassador to Indonesia till 1980. He was the Singapore Honorary Consul at the Consulate of the Principality Monaco from 1996 to 1999.

Mr Othman is currently a permanent member of the Presidential Council for Minority Rights since March 1981.

Mr Othman holds a Diploma in Journalism from the Polytechnic School of Journalism, London.

LOH KGAI MUN *Executive Director*

Mr Loh Kgai Mun is the Executive Director of the Company since August 2008. Pursuant to Article 91 of the Company's Articles of Association, he will be due for re-election at the forthcoming Annual General Meeting to be held on 21 October 2014.

Mr Loh has a wealth of management experience in multi-national organisations as well as listed companies. Prior to 2008, he was the Group General Manager of the Company and oversaw financial, operational and compliance matters of the Group.

In 1998, Mr Loh joined The Lion Group as the Financial Controller of its telecommunications business unit. Concurrently, he also headed the Group Internal Audit and Group MIS Divisions in Singapore.

Mr Loh currently sits on the board of Mindax Limited, which is a public listed company in Australia.

Mr Loh holds a Masters Degree in Business Administration from the Edinburgh University Management School, and is an Associate Member of the Institute of Chartered Accountants in England and Wales.

TAN SRI CHENG HENG JEM *Non-Executive Director*

Tan Sri Cheng Heng Jem is a Non-Executive Director of the Company since September 2010. He is subject to re-election as Director at each annual general meeting of the Company pursuant to Section 153(6) of the Companies Act, Cap. 50.

Tan Sri Cheng has more than 35 years of experience in the business operations of The Lion Group encompassing steel, retail, property development, mining, tyre, motor, plantation and computer operations.

Tan Sri Cheng is currently the Chairman and Managing Director of Lion Corporation Berhad and Parkson Holdings Berhad, and the Chairman of Lion Diversified Holdings Berhad and Lion Forest Industries Berhad, all of which are public companies listed on Bursa Malaysia Securities Berhad. He is also the Chairman of Lion AMB Resources Berhad and ACB Resources Berhad, and a Founding Trustee of The Community Chest in Malaysia, a company limited by guarantee incorporated for charity purposes.

Tan Sri Cheng currently sits on the boards of other public listed companies, namely Lion Teck Chiang Limited and Parkson Retail Asia Limited in Singapore and Parkson Retail Group Limited in Hong Kong.

SAM CHONG KEEN *Independent Director*

Mr Sam Chong Keen is an Independent Director of the Company, and a member of the Audit Committee, Nominating Committee and Remuneration Committee. Appointed to the Board in February 1997, Mr Sam served as the Company's Managing Director till May 2002. Concurrently, he was the Chief Executive Officer and Executive Vice-Chairman of Lion Teck Chiang Limited. He was last re-elected as a Director in October 2012.

Mr Sam has a wealth of management experience, having held senior/CEO positions in the Singapore Government Administrative Service, National Trades Union Congress (NTUC), Intraco Ltd, Comfort Group Ltd, VICOM Ltd, Xpress Holdings Ltd ("Xpress"), Jade Technologies Holdings Ltd and Sino-Environment Technology Group Limited.

Mr Sam was the Political Secretary to the Minister for Education from 1988 to 1991. He has served on various government boards and committees, including the Central Provident Fund Board and the National Co-operative Federation.

Mr Sam currently sits on the boards of other public listed companies, namely Xpress and Stamford Tyres Corporation Ltd, as an independent director and chairman respectively.

Mr Sam holds a Bachelor of Arts (Engineering Science and Economics) (Honours) degree and a Master of Arts degree from the University of Oxford, as well as a Diploma from the Institute of Marketing, United Kingdom.

Board of Directors

CHENG THENG HOW *Non-Executive Director*

Mr Cheng Theng How is a Non-Executive Director since February 1997. He is also a member of the Audit Committee, Nominating Committee and Remuneration Committee. Pursuant to Article 91 of the Company's Articles of Association, he will be due for re-election at the forthcoming Annual General Meeting to be held on 21 October 2014.

Mr Cheng is currently the General Manager and Director of Angkasa Amsteel Pte Ltd, which distributes steel and iron products and is a subsidiary of SGX-listed Lion Teck Chiang Limited, since 1994.

Concurrently, Mr Cheng is also the Executive Director of Antara Steel Mills Sdn Bhd ("Antara"), a subsidiary of Lion Industries Corporation Berhad which is listed on Bursa Malaysia Securities Berhad, since July 2006. Antara manufactures steel products such as steel reinforcement bars and angle bars, for supply to the local construction industry and export markets.

Prior to 1994, Mr Cheng has served as the Assistant General Manager (Production) of Amalgamated Steel Mills Berhad.

Mr Cheng holds a Diploma in Mechanical Engineering from Singapore Polytechnic.

LEE WHAY KEONG *Non-Executive Director*

Mr Lee Whay Keong is a Non-Executive Director of the Company since September 2010. He was last re-elected as a Director in October 2013.

Mr Lee is currently the Personal Assistant to the Group Executive Director ('GED"), a position he held since he joined The Lion Group in 1992. His responsibilities include advising and assisting the GED on governmental, corporate, strategic, joint venture, accounting and corporate finance issues. His main duties also involve assisting the GED in overseeing some of The Lion Group's subsidiaries and in the acquisitions and divestments of businesses and companies of The Lion Group.

From 2003 to 2013, Mr Lee was the General Manager of Lion Plate Mills Sdn Bhd, a company which manufactures and markets steel plates in Malaysia. Since 2009, he is overseeing PT Kebunaria, a plantation company in Indonesia.

Mr Lee is currently the Commissioner of PT Lion Metal Works Tbk and PT Lionmesh Prima Tbk, both of which are public listed companies in Indonesia.

Mr Lee holds a Bachelor of Science (Honours) degree and a Diploma in Education from the University of Malaya, and a Master of Business Administration (Banking and Finance) from North Texas State University.

Management Team

WONG MIN SEONG *Assistant General Manager, Lime Manufacturing Division*

Mr Wong Min Seong is the Assistant General Manager of Compact Energy Sdn Bhd since May 2007. He heads the operations of the Group's lime manufacturing plants in Malaysia.

From 2004 to 2007, Mr Wong served as Assistant General Manager at Megasteel Sdn Bhd, overseeing its limekiln project. Prior to that, he was the Plant Manager at Natsteel Chemicals (M) Sdn Bhd, where he oversaw quicklime production and maintenance of plant machinery.

Mr Wong holds a Class 2 Engineer Certificate of Competency Examination (equivalent to a Bachelor Degree) from Jabatan Laut Malaysia, and a Diploma in Marine Mechanical Engineering from Polytechnic Ungku Omar, Ipoh.

FAN HONGBO *Finance Manager*

Mr Fan Hongbo joined the Group in March 2013 as Finance Manager, and is responsible for financial accounting and reporting, treasury control and taxation of the Group.

Prior to joining the Group, he served as Group Accounts Manager at a then public listed company, Kinergy Ltd, since 2011. He started his career as an Audit Associate at Moore Stephens LLP in 2007, and left as its Assistant Audit Manager in 2011.

Mr Fan is a member of the Institute of Singapore Chartered Accountants, and also a member of the Association of Chartered Certified Accountants.

TAN YEN HUI *Company Secretary*

Ms Tan Yen Hui joined the Group in August 2000 as Company Secretary, and is primarily responsible for assisting the Group in its compliance with the company laws, SGX-ST listing rules and other applicable regulations.

Prior to that, she has worked in other public listed companies and management consultancy firms. During her working career, Ms Tan has been involved in corporate secretarial, trademark management, investor relations, human resources, taxation, accounting and finance.

Ms Tan holds a Bachelor of Science (Economics) degree from the University of London, and is an Associate Member of the Singapore Association of the Institute of Chartered Secretaries and Administrators.

Financial Highlights

Consolidated Statement of Comprehensive Income	30 June 2014 S$'000	30 June 2013 S$'000
Continuing Operations		
Revenue		
- Lime manufacturing	**25,077**	22,903
- Scrap metal trading	**7,800**	7,913
	32,877	**30,816**
Profit before tax	**2,127**	2,305
Profit from continuing operations	**1,827**	1,779
Segmental result		
- Lime manufacturing	**2,015**	1,630
- Scrap metal trading	**121**	178
- Property Development	**(229)**	(28)
- Investment holding / others	**(460)**	(46)
	1,447	1,734

Consolidated Balance Sheet	30 June 2014 S$'000	30 June 2013 S$'000
Current assets	**67,815**	118,847
Current liabilities	**(4,051)**	(22,007)
Net current assets	**63,764**	96,840
Property, plant and equipment	**21,740**	24,065
Development property for sale	**35,174**	-
Available-for-sale financial assets	**2,908**	5,346
Other financial liabilities	**(210)**	-
Deferred income tax liabilities	**(3,149)**	(3,553)
Net assets	**120,227**	**122,698**
Represented by:		
Shareholders' equity	**120,227**	122,698
Non-controlling interests	**(711)**	(711)
Shareholders' funds	**119,516**	**121,987**

	30 June 2014 (cents)	30 June 2013 (cents)
Earnings per share	**0.45**	0.43
Net asset value per ordinary share	**29.47**	30.08
First and final dividend per ordinary share	**0.10**	0.10

Corporate Governance Report

Lion Asiapac Limited (the "Company") believes in maintaining a high standard of corporate governance, and is committed to making sure that effective self-regulatory corporate practices exist to protect the interests of its shareholders.

This report describes the Company's corporate governance processes and activities which are in line with the Code of Corporate Governance 2012 (the "Code").

BOARD MATTERS

The Board's Conduct of Affairs

The Board is responsible for the overall strategy and direction of the Group. It provides entrepreneurial leadership and sets strategic aims, taking into account sustainability issues, and ensures that the necessary financial and human resources are in place for the Company to meet its objectives. It also ensures that the Company's strategies are in the interests of the Company and its shareholders.

The Board supervises executive management and reviews management performance, as well as establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets. It sets the Company's values and standards, identifies the key stakeholder groups and recognises that their perceptions affect the Company's reputation, ensuring that obligations to shareholders and other stakeholders are understood and met.

During the financial year, the Board met five (5) times. The Board reviews and approves appropriate strategic plans, key operational and financial matters, major acquisition and divestment plans, major expenditure projects and funding decisions.

Board Composition and Guidance

The Board currently comprises six (6) Directors, two (2) of whom are independent, and one (1) of whom holds executive position. The Directors have core competencies in accounting and finance, business and management experience, industry knowledge, and strategic planning experience.

The members of the Board are as follows:

Executive	Non-Executive	
Loh Kgai Mun	Othman Bin Wok	(Chairman, Independent Director)
	Sam Chong Keen	(Independent Director)
	Tan Sri Cheng Heng Jem	
	Cheng Theng How	
	Lee Whay Keong	

The Executive Director oversees the day-to-day operations of the Group. The non-executive Directors constructively challenge and help develop proposals on strategy, as well as help review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

Corporate Governance Report

BOARD MATTERS (cont'd)

Chairman of the Board

The Chairman of the Board is an independent Director. He leads the Board to ensure its effectiveness on all aspects of its role and sets its agenda, and encourages constructive relations between the Board and executive management. He facilitates the effective contribution of non-executive Directors, and encourages constructive relations with the Board and between the Board and Management.

The Chairman ensures that Board meetings are held when necessary, manages the Board proceedings, and ensures that the Board members are provided with complete, timely and adequate information. He also ensures compliance with the Company's guidelines on corporate governance, in order to promote high standards of corporate governance of the Company.

Board Membership and Board Performance

Directors' Attendance

To facilitate effective management, the Board delegates certain functions to the various Board Committees ie. Audit, Nominating and Remuneration Committees.

The number of meetings of the Company attended by the Directors during the financial year ended 30 June 2014 is set out as follows:

	Board	Audit	Nominating	Remuneration
Number of meetings held:	**5**	**12**	**1**	**1**
Number of meetings attended:				
Othman Bin Wok	5	12	1	1
Loh Kgai Mun	5	n.a.	n.a.	n.a.
Tan Sri Cheng Heng Jem	5	n.a.	n.a.	n.a.
Sam Chong Keen	5	n.a.	1	n.a.
Cheng Theng How	5	11	n.a.	1
Lee Whay Keong	5	n.a.	n.a.	n.a.
Ying Yoke Kwai*	3	7	1	1

**Mr Ying Yoke Kwai ceased to be a Director on 11 April 2014.*

Corporate Governance Report

BOARD MATTERS (cont'd)

Nominating Committee

The Nominating Committee ("NC") comprises three (3) Directors, all of whom are non-executive, and two (2) of whom including the Chairman are independent. The NC met once during the financial year.

Othman Bin Wok	(Chairman, Independent Director)
Sam Chong Keen	(Independent Director)
Cheng Theng How	(Non-Executive Director) *(appointed on 23 June 2014)*

The NC carries out the functions outlined in its terms of reference which clearly set out its authority and duties as described below.

The NC is charged with the responsibilities of evaluating the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board, and to propose objective performance criteria.

A director is generally assessed by his experience in being a company director, competence and knowledge, level and quality of involvement during the course of the year, attendance record at meetings of the Board and Board Committees, intensity of participation at meetings, the quality of interventions and any special contributions.

To evaluate the effectiveness of the Board, the NC has put in place an annual board performance evaluation exercise which is carried out by means of a questionnaire, which includes questions on Board's composition, process and accountability etc., for completion by each Director. The results of the questionnaire are collated and the findings are reviewed by the NC and reported to the Board.

The Board has not determined the maximum number of listed company board representations which a Director may hold, as it is of the view that the Directors have different capabilities, and the nature of the organisations in which they hold appointments are of different complexities. Directors who have multiple board representations and principal commitments shall personally determine the demand of their obligations and assess the number of directorships they could hold, in order to ensure that they could dedicate sufficient time and attention to the Company to serve effectively. Each Director will update the Company of any changes in his external directorships and these changes will be noted at Board meetings. The NC will review and determine whether or not each Director is able to and has been adequately carrying out his duties as Director of the Company, taking into account other listed company board representations and principal commitments held.

Corporate Governance Report

BOARD MATTERS (cont'd)

Appointment and Re-appointment of Directors

The NC is responsible for making recommendations to the Board on appointment of directors, and to re-nominate directors, taking into account the individual director's contribution and performance.

The NC will review a new director's background, qualification, experience, skill sets and ability to contribute effectively, and make recommendation to the Board. The NC will use its best efforts to ensure that directors appointed to the Board possess the relevant background, experience and knowledge, as well as business, finance and management skills critical to the Company's business. New directors could be sourced through a network of contacts or recommendations, or via recruitment consultants.

Pursuant to Article 91 of the Articles of Association of the Company, every Director shall retire from office at least once every three (3) years, and at each annual general meeting ("AGM") of the Company, one-third of the Directors shall retire from office by rotation and the retiring Directors shall be eligible for re-election. In addition, Directors who are appointed during the year shall hold office only until the next AGM pursuant to Article 97 and shall be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Accordingly, Messrs Loh Kgai Mun and Cheng Theng How will retire by rotation at the forthcoming 44th AGM pursuant to Article 91 and shall be eligible for re-election. Pursuant to Section 153(6) of the Companies Act, two (2) Directors, Mr Othman Bin Wok and Tan Sri Cheng Heng Jem, are subject to Section 153(6) of the Companies Act to hold office until the conclusion of the next AGM on a yearly basis and shall be eligible for re-appointment, but shall not be subject to the provisions of the Articles relating to the rotation and retirement of Directors.

Board Orientation and Training

A formal letter of appointment will be provided to a new director upon his appointment, setting out the duties and obligations of a director. Materials containing information on the Group's structure, business, operations and governance policies and practices are also provided.

The Directors are kept informed of any relevant changes to legislation and regulatory requirements by the Company. They are also encouraged to attend, at the Company's expense, courses or seminars conducted by external professionals to keep abreast of changes in law and governance matters that may affect the Group.

Corporate Governance Report

BOARD MATTERS (cont'd)

Independence of Directors

The NC determines annually whether or not a Director is independent, taking into account the relationship a Director may have with the Company and its related companies. Each Director is required to complete a Director's Independence Checklist drawn up based on the guidelines in the Code, and shall confirm whether he is independent despite not having any relationships as set out in the Code. Thereafter, the NC reviews the completed checklists to assess the independence of the Directors and recommends its assessment to the Board. The continued independence of Directors who have served more than nine (9) years will be subject to particularly rigorous review. Such measures shall enable the Board to have an independent and objective perspective so as to allow balanced and well-considered decisions to be made.

The NC is of the view that Messrs Othman Bin Wok and Sam Chong Keen are independent Directors. Although they have served on the Board for more than nine (9) years, the NC is of the view that a director's independence cannot be determined solely on the basis of length of time. Instead, the substance of a director's professionalism, integrity and objectivity is of utmost importance. Both Directors have expressed individual views and objectively scrutinised and debated issues. In doing so, they have demonstrated independent mindedness and conduct at Board and Board Committee meetings. The Board is also of the opinion that both Directors have over time developed significant insights in the Group's business, and could continue to provide valuable contribution and exercise independent judgement in the best interests of the Company in the discharge of their duties.

Access to Information

The Directors are provided with complete and adequate information in a timely manner by the management. To facilitate an informed decision making, explanatory notes or reports on major operational, financial and corporate issues, together with copies of disclosure documents and/or financial statements are circulated to the Directors at a reasonable time period prior to Board meetings for their perusal. If necessary, arrangement will be made for the Directors to obtain independent professional advice at the Company's expense.

All Directors have independent access to the senior management of the Company and also the Company Secretary. The Company Secretary attends all Board meetings and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is responsible for assisting the Group in its compliance with the requirements of the Companies Act, rules of the SGX-ST Listing Manual and other applicable regulations. The Company Secretary shall ensure good information flows within the Board and its committees, as well as between senior management and non-executive Directors, and where necessary, shall facilitate orientation and assist in professional development. The appointment and removal of the Company Secretary are subject to Board's approval.

Corporate Governance Report

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC") currently comprises three (3) Directors, all of whom are non-executive, and two (2) of whom including the Chairman are independent. The RC met once during the financial year.

Othman Bin Wok	(Chairman, Independent Director)
Sam Chong Keen	(Independent Director) *(appointed on 23 June 2014)*
Cheng Theng How	(Non-Executive Director)

The RC carries out the functions outlined in its terms of reference which clearly set out its authority and duties as described below.

The RC is responsible for recommending to the Board a framework of remuneration for the Directors and key executives. In structuring the remuneration framework, the RC takes into account the risk policies, financial and commercial health and business needs of the Group.

A Director shall abstain from the voting, recommendation or approval of his own remuneration.

Level and Mix of Remuneration

The RC ensures that the level of remuneration is appropriate to attract, retain and motivate the directors and key management needed to run the Company successfully, and is linked to the Company's relative performance and individual performance. It covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and benefits-in-kind.

The Company does not have any share-based compensation scheme or any long term scheme involving the offer of shares or options in place. The service contracts of executive director and key management of the Group do not contain any onerous termination clauses.

The non-executive Directors are remunerated with Directors' Fees, which are set in accordance with a remuneration framework comprising basic fees, committee fees and attendance fees, taking into account their effort, time spent and responsibilities. Such remuneration framework is reviewed by the RC on an annual basis and recommended to the Board for endorsement. The aggregate amount of Directors' Fees for each financial year is subject to the approval of shareholders at the AGM of the Company.

The RC determines specific remuneration package for the Executive Director based on the performance of the Group and the individual, and in accordance with a remuneration framework comprising basic salary, bonus and benefits-in-kind. Such remuneration framework is reviewed by the RC on an annual basis and recommended to the Board for approval.

The RC has access to external consultants for expert advice on Board remuneration and executive compensation, where necessary.

Corporate Governance Report

REMUNERATION MATTERS (cont'd)

Disclosure of Remuneration

Remuneration paid to the Directors of the Company for the financial year ended 30 June 2014 is set out in bands of S$250,000 and up to S$500,000 as illustrated below. For competitive and confidentiality reasons, remuneration paid to the Directors are not disclosed in details.

Remuneration Band	Name of Director	Salary	Bonus	Directors' Fees	Total
S$250,000 to below S$500,000	Loh Kgai Mun	74%	26%	--	100%
Below $250,000	Othman Bin Wok	--	--	100%	100%
	Tan Sri Cheng Heng Jem	--	--	100%	100%
	Sam Chong Keen	--	--	100%	100%
	Cheng Theng How	--	--	100%	100%
	Lee Whay Keong	--	--	100%	100%
	Ying Yoke Kwai*	--	--	100%	100%

**Mr Ying Yoke Kwai ceased to be a Director on 11 April 2014.*

The remuneration for the top five (5) key executives of the Group for the financial year ended 30 June 2014 fell within the band of below S$250,000. For competitive and confidentiality reasons, remuneration paid to the key executives are not disclosed in details.

No employee of the Group was an immediate family member of a Director or CEO during the financial year ended 30 June 2014.

ACCOUNTABILITY AND AUDIT

Accountability

The Board aims to provide a balanced and understandable assessment of the Group's performance, position and prospects to shareholders, through announcements of quarterly and full-year financial statements and other material corporate developments on a timely basis.

Members of the Board are provided with management accounts and such explanation and information on a regular basis and from time to time as they may require. The Board ensures that adequate steps are taken to comply with legislative and regulatory requirements.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT (cont'd)

Risk Management and Internal Controls

The Board is responsible for the governance of risk, and ensures that management maintains a sound system of risk management and internal controls to safeguard the shareholders' investments and the Group's assets.

The Board determines the Company's levels of risk tolerance and risk policies, and oversees the management in the design, implementation and monitoring of the risk management and internal control systems.

The Group has in place a risk management framework where key risks namely financial, operational, compliance and information technology risks are identified and addressed.

A review of the Group's risk management framework and processes is conducted on an annual basis to ensure adequacy and effectiveness of the Group's internal controls, addressing financial, operational and compliance risks. The identification and management of risks are delegated to Management of the Group who assumes ownership and management of these risks. Management is responsible for the effective implementation of risk management strategy, policies and processes. Key risks are identified, addressed and reviewed by the Management. The significant risks including mitigating measures are reported to and reviewed by the Board.

The Board notes that such system established by the Group is designed to manage, rather than eliminate, the risk of failure in achieving the Company's strategic objectives. As such, the Board recognises that such system is designed to provide reasonable assurance, but not an absolute guarantee, against material misstatement or loss.

On an annual basis, the Executive Director and the Finance Manager provide a written assurance to the Board confirming, that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and that the Group's internal controls, addressing financial, operational and compliance risks, are adequate and effective.

Based on the internal controls and risk management systems established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the management, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, are adequate and effective as at 30 June 2014.

Audit Committee

The Audit Committee ("AC") comprises three (3) Directors, all of whom are non-executive, and two (2) of whom including the Chairman are independent.

Othman Bin Wok	(Chairman, Independent Director)
Sam Chong Keen	(Independent Director) *(appointed on 23 June 2014)*
Cheng Theng How	(Non-Executive Director)

Corporate Governance Report

ACCOUNTABILITY AND AUDIT (cont'd)

Audit Committee (cont'd)

Members of the AC, having held senior positions in various industries and sectors, collectively possess a wealth of management experience which includes *inter alia*, accounting and finance. The Board has reviewed and is of the view that all members of the AC are appropriately qualified to discharge their responsibilities.

The AC carries out the functions outlined in the Code and the Companies Act, as well as its terms of reference which clearly set out its authority and duties as described below. It assists the Board to raise and maintain the standard of corporate governance, and fosters the transparency of corporate governance practices by ensuring that the Company's corporate governance processes and activities comply with the Code.

During the financial year, the AC met twice with the presence of internal and external auditors and appropriate members of the management, once with the internal auditors and the management, and another nine (9) times with the presence of management. The AC also met once with the external auditors, without the presence of management and internal auditors. It reviews the consolidated financial statements of the Group and the report of the external auditors thereon for submission to the Board. It also reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements, as well as formal announcements relating to the Group's financial performance.

The AC reviews the audit plan with the external auditors, and the scope and results of the internal audit procedures with the internal auditors. It reviews interested person transactions and conducts periodic reviews of the review procedures for interested person transactions to ensure that such transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The AC reviews and reports to the Board annually on the adequacy and effectiveness of the Group's internal controls, including financial, operational and compliance and information technology controls. It reviews with the internal auditors their evaluation of internal controls. It also reviews with the external auditors on any internal control findings noted in the course of their statutory audit.

Policies and procedures are in place for any staff of the Group who may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Arrangements are also in place for the independent investigation of such matters and for appropriate follow up action. Such policies and procedures have been reviewed by the AC.

The AC is responsible for nominating external auditors, as well as reviewing the remuneration and terms of engagement of the external auditors for recommendation to the Board. It reviews the scope and results of the external audit and its cost effectiveness, and the independence and objectivity of the external auditors. The nature and extent of any non-audit services performed by external auditors will be reviewed by the AC. There were no non-audit services provided by the external auditors during the financial year ended 30 June 2014.

The Company has complied with SGX-ST Listing Rules 712 and 715 in relation to the engagement of external auditors.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT (cont'd)

Internal Audit

An internal audit team is in place to review, at least once annually, the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, and risk management. Any material non-compliance or lapses in internal controls together with remedial measures recommended by internal auditors are reported to the AC. The AC also reviews the adequacy and timeliness of the actions taken by management in response to the recommendations made by the internal auditors.

The internal audit team's line of functional reporting is to the Chairman of the AC. Administratively, the internal audit team reports to the Executive Director. The hiring, removal, evaluation and compensation of the head of the internal audit function are subject to the approval of the AC. The internal audit team is independent of the activities it audits, and it abstains from audit of certain activities where conflict of interests might arise.

The AC has ensured that the internal audit team meets the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The AC reviews, on an annual basis, the adequacy and effectiveness of the internal audit function. The AC has ensured that the internal audit function is adequately resourced to carry out its duties effectively and has appropriate standing within the Company, and is staffed with persons with the relevant qualifications and experience.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

The Company treats all shareholders fairly and equitably, and endeavours to engage in regular, effective and fair communication with shareholders.

Shareholders are informed of all general meetings through the Company's annual reports or circulars sent to them. The notices of general meetings are announced via SGXNET, posted on the Company's internet website, and published in the newspapers within the mandatory periods.

The Company's Articles of Association currently allow a member of the Company to appoint not more than two (2) proxies to attend and vote at general meetings instead of the member. Investors whose shares are registered with Central Provident Fund are allowed to attend general meetings as observers.

The Company will consider voting in absentia and by electronic mail until pertinent issues involving security, integrity and legality are adequately addressed and resolved.

Corporate Governance Report

SHAREHOLDER RIGHTS AND RESPONSIBILITIES (cont'd)

Communication with Shareholders

The Company's investor relations practices adhere to fair disclosure and transparency principles. Clear, pertinent and accurate information is provided to shareholders and the investing community in a timely and effective manner, and selective disclosure is not practised by the Company. All material developments that impact the Group, including results and annual reports, are announced or issued within the mandatory periods through SGXNET and posted on the Company's internet website. Shareholders and investors who wish to be updated of all announcements made by the Company could subscribe to email alerts through the Company's website.

The Company's website is updated from time to time when necessary, and contains various investor-related information on the Group which serves as a resource for investors.

In deciding dividend payout, various factors including the Group's financial performance, cash flows position, retained earnings, projected capital expenditure requirement and other investment plans are considered by the Board.

Conduct of Shareholder Meetings

The Company encourages greater shareholder participation at general meetings, which serve as a platform for them to communicate to the Board their views on various matters affecting the Group.

The Company regards the general meetings as an opportunity to communicate directly with shareholders and encourages participative dialogue. Shareholders are given the opportunity to air their views and ask questions regarding the Group. The members of the Board and chairman of the Board Committees will attend the general meetings and are available to answer questions from shareholders present. External auditors will also be present at the AGM to address shareholders' queries about the audit and the preparation and content of the auditor's report.

At general meetings, all issues or matters requiring shareholder approval are set out in separate and distinct resolutions. All shareholders are entitled to vote in accordance with established voting rules and procedures, which are explained to shareholders present at the general meetings.

The Company puts all resolutions to vote by poll at general meetings. The detailed results showing the number of votes cast for and against each resolution and the respective percentages are displayed on screen or read out to shareholders after the vote has been cast. The same information is also included in the announcement to SGX-ST after the conclusion of the general meeting.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders and responses from the Board. The minutes will be made available to shareholders upon their request.

Corporate Governance Report

SECURITIES TRANSACTIONS

The Company has issued a Compliance Code on Securities Transactions ("Compliance Code") to all Directors and officers of the Group, setting out the implications of insider trading and the guildelines on dealing in the Company's shares.

In addition to compliance with SGX-ST Listing Rule 1207(19), all Directors and officers of the Company who have access to price sensitive information, are prohibited by the Compliance Code from dealing in the shares of the Company, during the periods commencing 1 January to the date of announcement of the Company's second-quarter results ending 31 December, 1 April to the date of announcement of third-quarter results ending 31 March, 1 July to the date of announcement of full-year results ending 30 June, and 1 October to the date of announcement of first-quarter results ending 30 September. A Director or an officer should not deal in the Company's shares on short-term considerations.

INTERESTED PERSON TRANSACTIONS

The aggregate value of interested person transactions entered into during the financial year ended 30 June 2014 pursuant to the General Mandate for Interested Person Transactions which was last approved for renewal by shareholders at the 43rd AGM of the Company under Chapter 9 of the SGX-ST Listing Manual is set out as follows:

Name of Interested Person	Aggregate value of all IPTs during the financial year 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	-	1,340
Antara Steel Mills Sdn Bhd	3,515	4,285
Megasteel Sdn Bhd	-	750

Financial Contents

Directors' Report

For the financial year ended 30 June 2014

The directors are pleased to present their report together with the audited financial statements of the Company and of the Group for the financial year ended 30 June 2014.

1. Directors at Date of Report

The directors of the Company in office at the date of this report are:

Othman Bin Wok
Loh Kgai Mun
Tan Sri Cheng Heng Jem
Sam Chong Keen
Cheng Theng How
Lee Whay Keong

2. Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of the financial year nor at any time during the financial year there subsisted any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3. Directors' Interests in Shares and Debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and options of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

	Number of Ordinary Shares			
	Shareholdings registered in the name of director or nominee		**Shareholdings in which a director is deemed to have an interest**	
	As at 1.7.2013	**As at 30.6.2014**	As at 1.7.2013	**As at 30.6.2014**
The Company:				
Tan Sri Cheng Heng Jem	–	**–**	279,167,280	**270,313,404**

By virtue of section 7 of the Companies Act, Chapter 50, the above director with shareholdings is deemed to have an interest in the Company and in all the related corporations of the Company.

The directors' interests as at 21 July 2014 were the same as those as at 30 June 2014.

Directors' Report

For the financial year ended 30 June 2014

4. Contractual Benefits of Directors

Since the beginning of the financial year, no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) which is required to be disclosed under section 201(8) of the Companies Act, Chapter 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

5. Share Options

LAP Share Option Scheme

The LAP Share Option Scheme (the "Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting on 20 September 2000. The Scheme expired on 20 September 2010.

During the financial year, no option to take up unissued shares of the Company or any subsidiary was granted.

During the financial year, there were no shares of the Company or any subsidiary issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or any subsidiary under option.

6. Independent Auditors

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

Directors' Report

For the financial year ended 30 June 2014

7. Audit Committee

The members of the Audit Committee ("AC") at the date of this report are:

Othman Bin Wok	Chairman
Sam Chong Keen	Independent Director
Cheng Theng How	Non-Executive Director

The AC performs the functions specified by section 201B (5) of the Companies Act. Among other functions, it performed the following:

- Reviewed with the independent external auditors their audit plan;
- Reviewed with the independent external auditors their evaluation of the Company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by the Company's officers to them;
- Reviewed with the internal auditors the scope and results of the internal audit procedures;
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

Other functions performed by the AC are described in the report on corporate governance included in the annual report. It also includes an explanation of how independent auditor objectivity and independence are safeguarded where the independent auditors provide non-audit services.

The AC has recommended to the board of directors that the independent auditors, RSM Chio Lim LLP, be nominated for re-appointment as independent auditors at the next annual general meeting of the Company.

On Behalf of the Directors

Loh Kgai Mun
Director

Cheng Theng How
Director

23 September 2014

Statement by Directors

For the financial year ended 30 June 2014

In the opinion of the directors,

(a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2014 and of the results and cash flows of the Group and changes in equity of the Company and of the Group for the financial year then ended; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors approved and authorised these financial statements for issue.

On Behalf of the Directors

Loh Kgai Mun
Director

Cheng Theng How
Director

23 September 2014

Independent Auditors' Report

To the Members of Lion Asiapac Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Lion Asiapac Limited (the "Company") and its subsidiaries (the "Group") set out on pages 32 to 85, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2014, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statements of profit or loss and other comprehensive income and statements of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Other Matters

The financial statements for the year ended 30 June 2013 were audited by other independent auditors whose report dated 27 September 2013 expressed an unqualified opinion on those financial statements.

RSM Chio Lim LLP
Public Accountants and Chartered Accountants

Singapore, 23 September 2014

Partner in charge of audit: Kaka Singh
Effective from year ended 30 June 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2014

	Notes	2014 $'000	2013 $'000
Revenue	4	**32,877**	30,816
Other Income	5	**602**	990
Other Credits	6	**1,125**	1,185
Expenses			
Purchases of Inventories		**(23,222)**	(22,071)
Employee Benefits Expenses	7	**(2,040)**	(1,967)
Depreciation		**(2,405)**	(2,430)
Finance Costs		**(2)**	(3)
Other Expenses	8	**(5,004)**	(4,216)
Changes in Finished Goods		**196**	1
Total Expenses		**(32,477)**	(30,686)
Profit Before Tax		**2,127**	2,305
Income Tax Expense	9	**(300)**	(526)
Profit, Net of Tax		**1,827**	1,779
Other Comprehensive (Loss)/Income, Net of Tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange Differences on Translation of Net Assets of Foreign Subsidiaries		**(2,130)**	290
Available-for-Sale Financial Assets - Fair Value (Losses)/Gains	20	**(1,762)**	1,762
Other Comprehensive (Loss)/Income for the Year, Net of Tax:		**(3,892)**	2,052
Total Comprehensive (Loss)/Income		**(2,065)**	3,831
Income, Net of Tax Attributable to:			
Owners of the Company		**1,827**	1,760
Non-Controlling Interests		**–**	19
Income, Net of Tax		**1,827**	1,779
Total Comprehensive (Loss)/Income Attributable to:			
Owners of the Company		**(2,065)**	3,812
Non-Controlling Interests		**–**	19
Total Comprehensive (Loss)/Income		**(2,065)**	3,831
Earnings per share attributable to owners of the Company (expressed in cents per share)			
Basic and Diluted	10	**0.45**	0.43

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 30 June 2014

	Notes	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Current Assets					
Cash and Cash Equivalents	11	**48,971**	66,449	**4,791**	50,112
Trade and Other Receivables	12	**12,323**	11,055	**65,434**	60,804
Inventories	13	**6,283**	5,253	**–**	–
Other Assets, Current	14	**238**	36,090	**6**	42
Total Current Assets		**67,815**	118,847	**70,231**	110,958
Non-Current Assets					
Available-For-Sale Financial Assets	15	**2,908**	5,346	**–**	–
Development Property for Sale	16	**35,174**	–	**–**	–
Investments in Subsidiaries	17	**–**	–	**38,753**	896
Property, Plant and Equipment	18	**21,740**	24,065	**567**	3
Total Non-Current Assets		**59,822**	29,411	**39,320**	899
Total Assets		**127,637**	148,258	**109,551**	111,857
EQUITY AND LIABILITIES					
Equity					
Share Capital	19	**47,494**	47,494	**47,494**	47,494
Retained Earnings		**75,821**	60,857	**61,043**	49,757
Other Reserves	20	**(3,799)**	13,636	**–**	13,543
Total Equity Attributable to Owners of the Company		**119,516**	121,987	**108,537**	110,794
Non-Controlling Interests		**711**	711	**–**	–
Total Equity		**120,227**	122,698	**108,537**	110,794
Non-Current Liabilities					
Deferred Tax Liabilities	9	**3,149**	3,553	**223**	398
Other Financial Liabilities	21	**210**	–	**210**	–
Total Non-Current Liabilities		**3,359**	3,553	**433**	398
Current Liabilities					
Income Tax Payable		**85**	122	**60**	105
Trade and Other Payables	22	**3,906**	21,885	**461**	560
Other Financial Liabilities	21	**60**	–	**60**	–
Total Current Liabilities		**4,051**	22,007	**581**	665
Total Liabilities		**7,410**	25,560	**1,014**	1,063
Total Equity and Liabilities		**127,637**	148,258	**109,551**	111,857

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial year ended 30 June 2014

	Attributable to Owners of the Company								Non-Controlling Interests	Total Equity
	Share Capital $'000	Capital Redemption Reserve $'000	Fair Value Reserve $'000	Currency Translation Reserve $'000	Capital Reduction Reserve $'000	Capital Reserve $'000	Retained Earnings $'000	Total $'000	$'000	$'000
Group:										
Current Year:										
Opening Balance at 1 July 2013	47,494	105	1,762	(3,886)	13,543	2,112	60,857	121,987	711	122,698
Reclassification (Note 20)	–	–	–	–	(13,543)	–	13,543	–	–	–
Dividends Paid (Note 23)	–	–	–	–	–	–	(406)	(406)	–	(406)
Total Comprehensive (Loss)/ Income for the Year	–	–	(1,762)	(2,130)	–	–	1,827	(2,065)	–	(2,065)
Closing Balance at 30 June 2014	**47,494**	**105**	**–**	**(6,016)**	**–**	**2,112**	**75,821**	**119,516**	**711**	**120,227**

	Attributable to Owners of the Company									Non-Controlling Interests	Total Equity
	Share Capital $'000	Capital Redemption Reserve $'000	Fair Value Reserve $'000	Currency Translation Reserve $'000	Capital Reduction Reserve $'000	Capital Reserve $'000	Consolidation Reserve $'000	Retained Earnings $'000	Total $'000	$'000	$'000
Group:											
Previous Year:											
Opening Balance at 1 July 2012	47,494	105	–	(4,176)	13,543	2,112	(36)	61,161	120,203	692	120,895
Reclassification (Note 20)	–	–	–	–	–	–	36	(36)	–	–	–
Dividends Paid (Note 23)	–	–	–	–	–	–	–	(2,028)	(2,028)	–	(2,028)
Total Comprehensive Income for the Year	–	–	1,762	290	–	–	–	1,760	3,812	19	3,831
Closing Balance at 30 June 2013	**47,494**	**105**	**1,762**	**(3,886)**	**13,543**	**2,112**	**–**	**60,857**	**121,987**	**711**	**122,698**

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity (cont'd)

For the financial year ended 30 June 2014

	Share Capital $'000	Capital Reduction Reserve $'000	Retained Earnings $'000	Total Equity $'000
Company:				
Current Year:				
Opening Balance at 1 July 2013	47,494	13,543	49,757	110,794
Total Comprehensive Loss for the Year	–	–	(1,851)	(1,851)
Reclassification (Note 20)	–	(13,543)	13,543	–
Dividends Paid (Note 23)	–	–	(406)	(406)
Closing Balance at 30 June 2014	**47,494**	**–**	**61,043**	**108,537**
Previous Year:				
Opening Balance at 1 July 2012	47,494	13,543	40,373	101,410
Total Comprehensive Income for the Year	–	–	11,412	11,412
Dividends Paid (Note 23)	–	–	(2,028)	(2,028)
Closing Balance at 30 June 2013	**47,494**	**13,543**	**49,757**	**110,794**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2014

	2014 $'000	2013 $'000
Cash Flows From Operating Activities		
Profit, Net of Tax	**1,827**	1,779
Adjustments for:		
Depreciation of Property, Plant and Equipment	**2,405**	2,430
Property, Plant and Equipment Written-Off	**33**	12
Gains on Disposal of Property, Plant and Equipment	**–**	(66)
Interest Income	**(590)**	(753)
Interest Expense	**2**	3
Impairment Loss on Available-for-Sale Financial Assets	**661**	379
Unrealised Currency Translation Losses/(Gains)	**(1,317)**	576
Income Tax Expense	**300**	526
Operating Cash Flows before Working Capital Changes	**3,321**	4,886
Inventories	**(868)**	(860)
Trade and Other Receivables, Current	**(1,459)**	648
Other Assets, Current and Development Property for Sale	**673**	45
Trade and Other Payables, Current	**(17,874)**	(639)
Net Cash Flows (Used In)/From Operations	**(16,207)**	4,080
Tax Paid	**(675)**	(478)
Net Cash Flows (Used In)/From Operating Activities	**(16,882)**	3,602
Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment	**(445)**	(61)
Proceeds from Disposal of Equipment	**–**	66
Interest Received	**590**	564
Partial Payment for Purchase of Land Use Rights and Allocated Costs	**–**	(18,412)
Net Cash Flows From/(Used In) Investing Activities	**145**	(17,843)
Cash Flows From Financing Activities		
Finance Lease Repayments	**(30)**	–
Interest Paid	**(2)**	(3)
Dividends Paid to Equity Holders of the Company	**(406)**	(2,028)
Net Cash Flows Used In Financing Activities	**(438)**	(2,031)
Net Decrease in Cash and Cash Equivalents	**(17,175)**	(16,272)
Foreign Exchange Differences	**(303)**	248
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	**66,449**	82,473
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note 11)	**48,971**	66,449

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2014

1. General

The Company is listed on the Singapore Exchange Securities Trading Limited and incorporated and domiciled in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the Company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are described in Note 17 below.

The registered office is: 10 Arumugam Road, #10-00, Lion Building A, Singapore 409957. The Company is situated in Singapore.

2. Summary of Significant Accounting Policies

Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of Presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. The consolidated financial statements include the income and expenses of a subsidiary from the date the entity gains control until the date when the entity ceases to control the subsidiary. Income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Basis of Presentation (Cont'd)

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the Company's separate statement of profit or loss and other comprehensive income is not presented.

Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimates, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the financial year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when the significant acts have been completed. Interest income is recognised using the effective interest method.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Employee Benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the financial year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Foreign Currency Transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of Financial Statements of Other Entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Segment Reporting

The Group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The property, plant and equipment are depreciable over their estimated useful lives as follows:

	Useful lives
Leasehold buildings and infrastructures	20 years
Plant and machinery	1 – 15 years
Office equipment and motor vehicles	2.5 – 10 years
Furniture and fittings	3 – 10 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the financial year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each financial year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the financial years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Development Property for Sale

Development properties are those properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. The cost of properties under development comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development properties are also capitalised, on a specific identification basis, as part of the cost of the development properties until the completion of development. The aggregated costs incurred are presented as development properties while progress billings are presented separately as deferred income within trade and other payables.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the board of directors or to cast the majority of votes at meetings of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's own separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market.

Business Combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the financial year.

Non-Controlling Interests

The non-controlling interests in the net assets and net results of a consolidated subsidiary are shown separately in the appropriate components of the consolidated financial statements. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date method.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Financial Assets (Cont'd)

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

#1. Financial assets at fair value through profit or loss: As at end of the financial year date there were no financial assets classified in this category.

#2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

#3. Held-to-maturity financial assets: As at end of the financial year date there were no financial assets classified in this category.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Financial Assets (Cont'd)

#4. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value. Changes in fair value of available-for-sale financial assets (other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading revaluation reserves. Such reserves are reclassified to profit or loss when realised through disposal. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to profit or loss as a reclassification adjustment. A significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against revaluation reserves and is not subsequently reversed through profit or loss. However for debt instruments classified as available-for-sale impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. For non-equity instruments classified as available-for-sale the reversal of impairment is recognised in profit or loss. The weighted average method is used when determining the cost basis of publicly listed equities being disposed of. The financial assets are classified as non-current assets unless management intends to dispose of the investments within 12 months of the end of the reporting year. Usually non-current investments in equity shares and debt securities are classified in this category but it does not include subsidiaries, joint ventures, or associates. Unquoted investments are stated at cost less allowance for impairment in value where there are no market prices, and management is unable to establish fair value by using valuation techniques except that where management can establish fair value by using valuation techniques the relevant unquoted investments are stated at fair value. For unquoted equity instruments impairment losses are not reversed.

Changes in the fair value of non-functional currency denominated investments classified as available-for-sale are analysed between translation differences and other changes in the carrying amount of the investments. The translation differences on monetary investments are recognised in profit or loss measured based on the amortised cost of the monetary investments; translation differences on non-monetary investments are recognised in other comprehensive income. Interest income calculated using the effective interest method and dividends are recognised in profit or loss. Other changes in the carrying amount of the investments classified as available-for-sale are recognised in other comprehensive income.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the financial year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

#1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount determined in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

#2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Fair Value Measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Equity

Equity instruments are contracts that give a residual interest in the net assets of the Company. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

<u>Estimated impairment of available-for-sale financial assets</u>:
An investment available-for-sale is regarded as impaired when there has been a significant or prolonged decline in the fair value below cost. The determination of what is “significant” or “prolonged” requires significant judgement. An estimate is made of the future profitability of the investment, and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, and operational and financing cash flow. The amount of the relevant investments at the end of the financial year are in Note 15.

Notes to the Financial Statements

For the financial year ended 30 June 2014

2. Summary of Significant Accounting Policies (Cont'd)

Critical Judgements, Assumptions and Estimation Uncertainties (Cont'd)

Estimated impairment of development property held for sale:
The property in Yangzhou, China is held with the intention of development and sale in the ordinary course of business. The allowance for foreseeable losses is estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing property market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The amounts of the development property held for sale at the end of the financial year are in Note 16.

3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

The ultimate controlling party is Tan Sri Cheng Heng Jem (a director of the Company).

3.1 Related companies:

There are transactions and arrangements between the reporting entity and members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

Notes to the Financial Statements

For the financial year ended 30 June 2014

3. Related Party Relationships and Transactions (Cont'd)

3.2 Related parties other than related companies:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Group	
	2014	2013
	$'000	$'000
Revenue	**19,972**	21,787
Purchases of goods	**1,517**	1,386
Interest income	**228**	222
Management fees income	**–**	155
Rental income	**–**	88
Rental charges	**274**	355
Other credits	**1,357**	1,034

Related parties are entities that are controlled by Tan Sri Cheng Heng Jem.

3.3 Key management compensation:

	Group	
	2014	2013
	$'000	$'000
Salaries and other short-term employee benefits	**441**	444
Contribution to defined contribution plans	**16**	12
	457	456

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Notes to the Financial Statements

For the financial year ended 30 June 2014

4. Revenue

	Group 2014 $'000	Group 2013 $'000
Sale of goods	**32,877**	30,816

5. Other Income

	Group 2014 $'000	Group 2013 $'000
Interest income from banks	**362**	531
Interest income from related parties	**228**	222
Management fee income	**12**	142
Rental income	**–**	95
	602	990

6. Other Credits

	Group 2014 $'000	Group 2013 $'000
Gains on disposal of property, plant and equipment	**–**	66
Foreign exchange losses	**(338)**	(44)
Penalties received from related parties for shortfall on minimum purchases (see Note 3)	**1,357**	1,034
Others	**106**	129
	1,125	1,185

Notes to the Financial Statements

For the financial year ended 30 June 2014

7. Employee Benefits Expenses

	Group	
	2014	2013
	$'000	$'000
Short-term employee benefits expense	**1,457**	1,494
Contribution to defined contribution plans	**191**	176
Other benefits	**392**	297
	2,040	1,967

8. Other Expenses

The major components include the following:

	Group	
	2014	2013
	$'000	$'000
Allowance for impairment on trade receivables	**-**	8
Audit fees to the independent auditors of the Company		
- Current year	**56**	100
- Underprovision in previous financial year	**21**	(5)
Audit fees to the independent auditors of the subsidiaries	**77**	68
Impairment loss on available-for-sale financial assets	**661**	379
Insurance	**123**	173
Maintenance expenses	**210**	122
Material handling	**391**	317
Property, plant and equipment written-off	**33**	12
Rental of office	**289**	380
Rental of equipment	**94**	73
Utilities	**1,153**	961

No non-audit fees was incurred during the financial year (2013: Nil).

Notes to the Financial Statements

For the financial year ended 30 June 2014

9. Income Tax Expense

9A. Components of tax expense recognised in profit or loss include:

	Group	
	2014	2013
	$'000	$'000
Current tax expense:		
Current tax expense	**396**	268
Under/(over) adjustments in respect of prior periods	**40**	(188)
Subtotal	**436**	80
Deferred tax (income)/expense:		
Deferred tax expense	**101**	638
Over adjustments in respect of prior periods	**(237)**	(192)
Subtotal	**(136)**	446
Total income tax expense	**300**	526

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2013: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2014	2013
	$'000	$'000
Profit before tax	**2,127**	2,305
Income tax expense at the above rate	**362**	392
Tax effects of:		
Non-deductible expenses	**472**	589
Income not subject to tax	**(36)**	(139)
Effect of different tax rates in different countries	**19**	116
Utilisation of previously unrecognised tax benefits	**(394)**	(100)
Deferred tax assets not recognised	**74**	-
Over adjustments in respect of prior periods	**(197)**	(332)
Total income tax expense	**300**	526

Notes to the Financial Statements

For the financial year ended 30 June 2014

9. Income Tax Expense (Cont'd)

9B. Deferred tax expense/(income) recognised in profit or loss include:

	Group	
	2014	2013
	$'000	$'000
Excess of net book value over tax depreciation on property, plant and equipment	**(16)**	(16)
Foreign income not remitted	**12**	160
Unrealised exchange losses	**(132)**	302
Total deferred income tax (income)/expense recognised in profit or loss	**(136)**	446

9C. Deferred tax balance in the statement of financial position:

The deferred tax amounts during the year are as follows:

	Group	
	2014	2013
	$'000	$'000
From deferred tax assets/(liabilities) recognised in profit or loss:		
Excess of net book value over tax depreciation on property, plant and equipment	**(3,412)**	(3,517)
Foreign income not remitted	**(223)**	(398)
Unrealised exchange losses	**486**	362
Net balance	**(3,149)**	(3,553)

Presented in the statement of financial position as follows:

	Group	
	2014	2013
	$'000	$'000
Deferred tax liabilities	**(3,635)**	(3,915)
Deferred tax assets	**486**	362
Net balance	**(3,149)**	(3,553)

Notes to the Financial Statements

For the financial year ended 30 June 2014

9. Income Tax Expense (Cont'd)

9C. Deferred tax balance in the statement of financial position: (Cont'd)

	Company	
	2014	2013
	$'000	$'000
From deferred tax liabilities recognised in profit or loss:		
Foreign income not remitted	**(223)**	(398)
	(223)	(398)

Unrecognised deferred tax assets:

	Group	
	2014	2013
	$'000	$'000
Unused tax losses available	**14,547**	15,486
Unabsorbed capital allowances	**5,594**	5,792
Unrecognised deferred tax assets	**20,141**	21,278

The realisation of the future income tax benefits from tax loss carry forward and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

10. Earnings Per Share

Earnings per share is calculated by dividing the Group's results (net earnings attributable to equity holders of the Company) for the financial year by the weighted average number of ordinary shares outstanding during the financial year as follows:

	Group	
	2014	2013
Net profit attributable to equity holders of the Company ($'000)	**1,827**	1,760
Weighted average number of ordinary shares in issue ('000)	**405,523**	405,523
Earnings per share (cents)	**0.45**	0.43

The diluted earnings per share is the same as the basic earnings per share as there were no share options outstanding (2013: Nil).

Notes to the Financial Statements

For the financial year ended 30 June 2014

11. Cash and Cash Equivalents

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**19,883**	7,275	**248**	797
Short-term bank deposits	**29,088**	59,174	**4,543**	49,315
	48,971	66,449	**4,791**	50,112

Short-term bank deposits bear interest from 0.1% to 2.86% (2013: 0.1% to 2.86%) per annum.

12. Trade and Other Receivables

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade receivables:				
Related parties	**9,111**	7,618	**–**	–
Third parties	**3,251**	2,921	**–**	–
	12,362	10,539	**–**	–
Less: Allowance for impairment of receivables – third parties	**(209)**	(211)	**–**	–
Trade receivables – net	**12,153**	10,328	**–**	–
Other receivables:				
Subsidiaries	**–**	–	**23,315**	30,767
Related parties	**145**	692	**3**	52
Third parties	**3,674**	3,738	**–**	–
	3,819	4,430	**23,318**	30,819
Less: Allowance for impairment of receivables – third parties	**(3,649)**	(3,703)	**–**	–
Other receivables – net	**170**	727	**23,318**	30,819
Loans to subsidiaries	**–**	–	**57,123**	42,982
Less: Allowance for impairment	**–**	–	**(15,007)**	(12,997)
Loans to subsidiaries - net	**–**	–	**42,116**	29,985
	12,323	11,055	**65,434**	60,804

Notes to the Financial Statements

For the financial year ended 30 June 2014

12. Trade and Other Receivables (Cont'd)

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade receivables:				
Movements in above allowance:				
Balance at beginning of the year	**211**	204	**–**	–
Charge for trade receivables to profit or loss included in other expenses	**–**	8	**–**	–
Foreign exchange adjustment	**(2)**	(1)	**–**	–
Balance at end of the year	**209**	211	**–**	–
Other receivables:				
Movements in above allowance:				
Balance at beginning of the year	**3,703**	3,717	**12,997**	16,082
Charged/(reversed) for loans to subsidiaries to profit or loss included in other expenses	**–**	–	**2,010**	(3,085)
Foreign exchange adjustments	**(54)**	(14)	**–**	–
Balance at end of the year	**3,649**	3,703	**15,007**	12,997

Other receivables and loans to subsidiaries are unsecured, interest-free and repayable on demand, with the exception of a loan of $23,868,000 (2013: $23,872,000) to a subsidiary that bears a fixed interest rate of 8.25% (2013: 8.25%) per annum and repayable on demand.

The loan is carried at amortised cost. The fair value is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably.

Notes to the Financial Statements

For the financial year ended 30 June 2014

13. Inventories

	Group	
	2014	2013
	$'000	$'000
Raw materials and consumables	**5,746**	4,912
Finished goods	**537**	341
	6,283	5,253

There are no inventories pledged as security for liabilities.

14. Other Assets, Current

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Land deposit and associated costs	**–**	35,881	**–**	–
Deposits to secure services	**39**	86	**4**	36
Prepayments	**130**	118	**–**	1
Others	**69**	5	**2**	5
	238	36,090	**6**	42

During the year, the Group has settled the remaining costs of a piece of land. The total costs of land and associated costs are reclassified into development property for sale in Note 16.

15. Available-For-Sale Financial Assets

	Group	
	2014	2013
	$'000	$'000
Balance at beginning of the year	**5,346**	4,249
Currency translation difference	**(15)**	(286)
Fair value (losses)/gains recognised in other comprehensive income	**(1,762)**	1,762
Impairment loss recognised in profit or loss (Note 8)	**(661)**	(379)
Balance at end of the year	**2,908**	5,346

Notes to the Financial Statements

For the financial year ended 30 June 2014

15. Available-For-Sale Financial Assets (Cont'd)

15A. Disclosures relating to investments

The information gives a summary of the significant sector concentrations within the investment portfolio including Level 1, 2 and 3 securities:

A Investments available-for-sale at fair value through other comprehensive income ("FVTOCI"):

	Level	**2014 $'000**	2013 $'000	**2014 %**	2013 %
Quoted equity shares:					
Australia [Note (a) below]	1	**2,633**	4,497	**12.7**	12.7
Malaysia [Note (b) below]	1	**275**	849	*****	*
Unquoted equity shares:					
United States of America [Note (c) below]	3	**–**	–	*****	*
Singapore [Note (d) below]	3	**–**	–	*****	*
Total Investments available-for-sale at FVTOCI		**2,908**	5,346		

* Equity interests less than 1%.

(a) The quoted investment of $2,633,000 (2013: $4,497,000) represents 12.70% (2013: 12.70%) equity interest in Mindax Limited ("Mindax"). There was no acquisition or disposal of shares by the Group during the financial year. The Group has recognised an impairment loss of $112,000 (2013: Nil) against this equity security whose trade prices have declined significantly after the reversal of the fair value reserve of $1,762,000.

(b) The quoted investment of $275,000 (2013: $849,000) relates to equity interest in Lion Corporation Berhad acquired by a subsidiary of the Company in a scheme of arrangement for overdue trade receivables owed by a related party in 2012. The Group has recognised an impairment loss of $549,000 (2013: $379,000) against this equity security whose trade prices have declined significantly.

(c) The unquoted investment with a carrying amount of $Nil (2013: $Nil) is made up of 26,000 ordinary shares at US$0.50 each in Visioneering Inc. ("Visioneering"), incorporated in the United States of America. The Group holds an equity interest of less than 1% in Visioneering as at 30 June 2014. There has been no change in equity interest held by the Group in Visioneering from 1 July 2013 to 30 June 2014. This unquoted investment has been fully impaired in previous financial years as management has assessed the likelihood of recovery to be low.

(d) This unquoted investment relates to a company incorporated in Singapore. There has been no change in the carrying amount of the unquoted investment during the financial year. This unquoted investment has been fully impaired in previous financial years as management has assessed the likelihood of recovery to be low.

Notes to the Financial Statements

For the financial year ended 30 June 2014

15. Available-For-Sale Financial Assets (Cont'd)

15A. Disclosures relating to investments (Cont'd)

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. Sensitivity analysis: The effect is as follows:

	2014 **$'000**	2013 $'000
A hypothetical 1% (2013: 1%) increase in the market index of quoted equity shares in Australia would have an effect on other comprehensive income after tax	**22**	37
A hypothetical 1% (2013: 1%) increase in market index of quoted equity shares in Malaysia would have an effect on other comprehensive income after tax	**2**	7

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

This figure does not reflect the currency risk, which has been considered in the foreign currency risks analysis section only.

16. Development Property For Sale

	Group	
	2014 **$'000**	2013 $'000
Cost:		
Balance at beginning of the year	**–**	–
Additions	**35,174**	–
Balance at end of the year	**35,174**	–

Notes to the Financial Statements

For the financial year ended 30 June 2014

16. Development Property For Sale (Cont'd)

Description/Location	Gross floor area	Percentage of completion	Proposed development and expected date of completion
New Harbour City in Yangzhou Economic and Technological Development Zone, Jiangsu Province, China	Residential units as well as shops and offices for commercial use with a total land area of 80,137 sqm (total estimated built up area of 174,100 sqm).	Not started yet	Uncertain at the moment

17. Investments in Subsidiaries

	Company	
	2014	2013
	$'000	$'000
Cost at beginning of the year	**896**	51,350
Loan receivables	**37,857**	–
Disposals	**–**	(45,704)
Allowance for impairment	**–**	(4,750)
Cost at end of the year	**38,753**	896
Total cost comprising:		
Unquoted equity shares at cost	**896**	5,646
Loan receivables	**37,857**	–
Allowance for impairment	**–**	(4,750)
Total at cost	**38,753**	896
Movements in allowance for impairment:		
Balance at beginning of the year	**4,750**	50,429
Disposal of a subsidiary	**–**	(45,679)
Balance at end of the year	**4,750**	4,750

The loan receivable from LAP Development Pte. Ltd. is interest-free and is not expected to be settled in the foreseeable future as the repayment is dependent on the cash flows of the borrower. The fair value is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably.

Notes to the Financial Statements

For the financial year ended 30 June 2014

17. Investments in Subsidiaries (Cont'd)

#A. The subsidiaries that are wholly owned by the Group are listed below:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	Cost in Books of the Group 2014 $'000	2013 $'000
LAP Trading & Marketing Pte Ltd (1) Singapore Trading of scrap metal	**4,750**	4,750
LAP Investment Pte Ltd (1) Singapore Investment holding	*****	*
LAP Exploration Pte Ltd (1) Singapore Investment holding	*****	*
LAP Development Pte Ltd (1) Singapore Investment holding	*****	*
Ternair Jaya Sdn. Bhd. (2) Malaysia Investment holding	*****	*
Lion Asiapac Management Consultancy (Shanghai) Co., Ltd (3) The People's Republic of China Management consultancy Shanghai Xinjie Certified Public Accountants Co., Ltd	**336**	336
Halton Investment Pte Ltd (4) Singapore Investment holding	**–**	*
	5,086	5,086

Notes to the Financial Statements

For the financial year ended 30 June 2014

17. Investments in Subsidiaries (Cont'd)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	Cost in Books of Group		Effective Percentage of Equity Held by Group	
	2014	2013	**2014**	2013
	$'000	$'000	**%**	%
Held by Subsidiaries:				
Lion Containers Sdn. Bhd. [(2)] Malaysia Manufacture and sale of dry cargo containers	**43,838**	43,838	**100**	100
Compact Energy Sdn. Bhd. [(2)] Malaysia Limestone processing	**7,910**	7,910	**100**	100
Yangzhou Lion Property Development Co., Ltd [(3)] The People's Republic of China (subsidiary from 5 July 2013) Property development Hongrui Certified Public Accountants Co., Ltd	**37,843**	–	**100**	100

#B. The subsidiary that has non-controlling interests is listed below:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	Cost in Books of Group		Effective Percentage of Equity Held by Group	
	2014	2013	**2014**	2013
	$'000	$'000	**%**	%
AE Technol Pte Ltd [(1)] Singapore Distribution of semiconductors and related components (ceased operations in the financial year ended 30 June 2011)	**560**	560	**55**	55

Notes:

(1) Audited by RSM Chio Lim LLP, Singapore.

(2) Audited by RSM Robert Teo, Kuan & Co, Malaysia, member of RSM International of which RSM Chio Lim LLP is a member.

(3) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

(4) Struck off in the financial year ended 30 June 2013.

(*) Cost of investment is less than $1,000.

Notes to the Financial Statements

For the financial year ended 30 June 2014

18. Property, Plant and Equipment

	Buildings and Infrastructure $'000	Plant and Machinery $'000	Office Equipment and Motor Vehicle $'000	Furniture and Fittings $'000	Total $'000
Group					
Cost:					
At 1 July 2012	473	33,584	540	159	34,756
Additions	3	41	8	9	61
Written-off/disposals	(1)	(12)	(330)	(4)	(347)
Currency translation differences	(1)	(118)	3	4	(112)
At 30 June 2013	474	33,495	221	168	34,358
Additions	1	56	672	16	745
Written-off	–	(50)	(24)	–	(74)
Currency translation differences	(12)	(859)	(6)	(2)	(879)
At 30 June 2014	463	32,642	863	182	34,150
Accumulated Depreciation:					
At 1 July 2012	105	7,491	497	128	8,221
Depreciation for the year	24	2,385	14	7	2,430
Written-off/disposals	–	(1)	(330)	(4)	(335)
Currency translation differences	–	(31)	6	2	(23)
At 30 June 2013	129	9,844	187	133	10,293
Depreciation for the year	24	2,298	77	6	2,405
Written-off	–	(17)	(24)	–	(41)
Currency translation differences	(3)	(239)	(4)	(1)	(247)
At 30 June 2014	150	11,886	236	138	12,410
Carrying Value:					
At 1 July 2013	368	26,093	43	31	26,535
At 30 June 2013	345	23,651	34	35	24,065
At 30 June 2014	313	20,756	627	44	21,740

Included in the additions of the property, plant and equipment, there is an amount of S$300,000 (2013: Nil) under finance lease agreement (see Note 21A).

Notes to the Financial Statements

For the financial year ended 30 June 2014

18. Property, Plant and Equipment (Cont'd)

	Office Equipment and Motor Vehicle $'000	Furniture and Fittings $'000	Total $'000
Company			
Cost:			
At 1 July 2012	373	113	486
Additions	–	1	1
Disposals	(324)	–	(324)
At 30 June 2013	49	114	163
Additions	630	–	630
Disposals	(25)	(114)	(139)
Written-off	(24)	–	(24)
At 30 June 2014	630	–	630
Accumulated Depreciation:			
At 1 July 2012	366	113	479
Depreciation for the year	5	–	5
Disposals	(324)	–	(324)
At 30 June 2013	47	113	160
Depreciation for the year	63	–	63
Disposals	(23)	(113)	(136)
Written-off	(24)	–	(24)
At 30 June 2014	63	–	63
Carrying Value:			
At 1 July 2013	7	–	7
At 30 June 2013	2	1	3
At 30 June 2014	567	–	567

Notes to the Financial Statements

For the financial year ended 30 June 2014

19. Share Capital

	Number of shares issued '000	Issued and paid up share capital $'000
Group and Company		
Balance at beginning and end of financial year 30 June 2013 and 30 June 2014	405,523	47,494

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

Capital Management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

There are insignificant external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

In order to maintain its listing on the Singapore Exchange it has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will have to continue to satisfy that requirement, as it did throughout the reporting year. Management receives shareholding reports from the share registrar regularly to ensure continuing compliance with the 10% free-float requirement throughout the reporting year.

Notes to the Financial Statements
For the financial year ended 30 June 2014

20. Other Reserves

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Capital reduction reserve (Note 20A)	**–**	13,543	**–**	13,543
Capital redemption reserve (Note 20B)	**105**	105	**–**	–
Fair value reserve (Note 20C)	**–**	1,762	**–**	–
Currency translation reserve (Note 20D)	**(6,016)**	(3,886)	**–**	–
Capital reserve (Note 20E)	**2,112**	2,112	**–**	–
At end of the year	**(3,799)**	13,636	**–**	13,543

20A. Capital reduction reserve

	Group and Company	
	2014	2013
	$'000	$'000
Capital reduction reserve [Note (a) below]		
At beginning of the year	**13,543**	13,543
Reclassification to retained earnings	**(13,543)**	–
At end of the year	**–**	13,543

20B. Capital redemption reserve

	Group	
	2014	2013
	$'000	$'000
Capital redemption reserve [Note (b) below]		
Beginning and end of financial year	**105**	105

20C. Fair value reserve

	Group	
	2014	2013
	$'000	$'000
Fair value reserve [Note (c) below]		
At beginning of the year	**1,762**	–
(Losses)/gains on remeasuring available-for-sale financial assets	**(1,762)**	1,762
At end of the year	**–**	1,762

Notes to the Financial Statements

For the financial year ended 30 June 2014

20. Other Reserves (Cont'd)

20D. Currency translation reserve

	Group	
	2014	2013
	$'000	$'000
Currency translation reserve [Note (d) below]		
At beginning of the year	**(3,886)**	(4,176)
Net currency translation differences from consolidation of financial statements of foreign subsidiaries	**(2,130)**	290
At end of the year	**(6,016)**	(3,886)

20E. Capital reserve

	Group	
	2014	2013
	$'000	$'000
Capital reserve [Note (e) below]		
Beginning and end of financial year	**2,112**	2,112

(a) In the financial year ended 30 June 2004, the Company conducted a capital reduction exercise to write off accumulated losses of the Company as at 30 June 2003. The excess of the amount of share capital reduction over the accumulated losses written off was credited to the capital reduction reserve. This balance is reclassified to retained earnings during the year.

(b) The capital redemption reserve pertains to the redemption of redeemable preference shares by an overseas subsidiary and is not available for payment of dividends.

(c) Fair value reserve comprises the aggregate cumulative fair value changes of available-for-sale financial assets until they are derecognised or impaired.

(d) Currency translation reserve comprises the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and the exchange differences on monetary items which form part of the Group's net investment in foreign operations.

(e) The capital reserve arose from bonus share issue through retained profits by a subsidiary.

All the reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

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21. Other Financial Liabilities

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Non-current:				
Finance lease payables (Note 21A)	**210**	–	**210**	–
Non-current	**210**	–	**210**	–
Current:				
Finance lease payables (Note 21A)	**60**	–	**60**	–
Current	**60**	–	**60**	–
Total other financial liabilities	**270**	–	**270**	–

21A. Finance Lease Payables

	Group and Company		
	Minimum Payments	**Finance Charges**	**Present Value**
	$'000	**$'000**	**$'000**
2014			
Minimum finance lease payments:			
Due within one year	68	(8)	60
Due within 2 to 5 years	238	(28)	210
	306	(36)	270

The finance lease payables are at interest rate of 2.68% (2013: Nil) per annum, with average lease term of 5 years.

Net book value of motor vehicle under finance leases amounted to $567,000 (2013: $Nil).

The obligations under finance lease payables are secured by the lessor's charge over the leased assets.

Notes to the Financial Statements

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22. Trade and Other Payables

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade payables:				
Outside parties	**2,098**	2,809	**–**	–
Other payables:				
Outside parties	**1,112**	510	**216**	178
Related parties (Note 3)	**248**	59	**–**	–
Accruals [Note (a) below]	**448**	18,507	**245**	382
Sub-total	**1,808**	19,076	**461**	560
Total trade and other payables	**3,906**	21,885	**461**	560

(a) The amount for 2013 is mainly for accrual of land cost and related charges.

23. Dividends

	Group and Company	
	2014	2013
	$'000	$'000
Final exempt (one-tier) dividends paid in respect of the previous financial year of 0.1 cent (2013: 0.5 cent) per share	**406**	2,028

In respect of the current reporting year, the directors propose that a final dividend of 0.1 cent per share with a total of $406,000 be paid to shareholders after the annual general meeting to be held on 21 October 2014. There are no income tax consequences. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable.

Notes to the Financial Statements

For the financial year ended 30 June 2014

24. Financial Instruments: Information on Financial Risks

24A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the financial year by FRS 39 categories:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Financial assets:				
Cash and cash equivalents	**48,971**	66,449	**4,791**	50,112
Trade and other receivables	**12,323**	11,055	**65,434**	60,804
Available-for-sale financial assets	**2,908**	5,346	**–**	–
At end of the year	**64,202**	82,850	**70,225**	110,916
Financial liabilities:				
Trade and other payables at amortised cost	**3,906**	21,885	**461**	560
Other financial liabilities measured at amortised cost	**270**	–	**270**	–
At end of the year	**4,176**	21,885	**731**	560

Further quantitative disclosures are included throughout these financial statements.

24B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following good market practices.

Notes to the Financial Statements

For the financial year ended 30 June 2014

24. Financial Instruments: Information on Financial Risks (Cont'd)

24C. Fair Values of Financial Instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

24D. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any loan payable commitments at the end of the financial year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is significant concentration of credit risk on receivables, as the exposure is spread over a few parties.

Note 11 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 90 days (2013: 90 days). But some customers take a longer period to settle the amounts:

Ageing analysis of the trade receivable amounts that are past due as at the end of reporting year but not impaired:

	2014 **$'000**	2013 $'000
Past due 0 to 6 months	**2,258**	3,647
	2,258	3,647

Other receivables are normally with no fixed terms of repayment and therefore there is no maturity.

As at 30 June 2014, 75% (2013: 74%) of trade receivables of the Group was made up of 3 (2013: 3) main customers.

Notes to the Financial Statements

For the financial year ended 30 June 2014

24. Financial Instruments: Information on Financial Risks (Cont'd)

24E. Liquidity Risk

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Less than 1 year $'000	1 - 5 years $'000	Total $'000
Group			
Non-derivative financial liabilities:			
2014:			
Gross finance lease payables	68	238	306
Trade and other payables	3,906	–	3,906
At end of the year	3,974	238	4,212
2013:			
Trade and other payables	21,885	–	21,885
At end of the year	21,885	–	21,885

	Less than 1 year $'000	1 - 5 years $'000	Total $'000
Company			
Non-derivative financial liabilities:			
2014:			
Finance lease payable	68	238	306
Trade and other payables	461	–	461
At end of the year	529	238	767
2013:			
Trade and other payables	560	–	560
At end of the year	560	–	560

Notes to the Financial Statements

For the financial year ended 30 June 2014

24. Financial Instruments: Information on Financial Risks (Cont'd)

24E. Liquidity Risk (Cont'd)

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows may differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2013: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

24F. Interest Rate Risk

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2014	2013
	$'000	$'000
Financial assets with interest:		
Fixed rates	**29,000**	59,000

Sensitivity analysis: The effect on pre-tax profit is not significant.

Notes to the Financial Statements

For the financial year ended 30 June 2014

24. Financial Instruments: Information on Financial Risks (Cont'd)

24G. Foreign Currency Risks

The Group's currency exposure is as follows:

	US dollars $'000	China RMB $'000	Malaysian Ringgit $'000	Australian dollars $'000	Total $'000
Group					
2014:					
Financial assets:					
Cash and cash equivalents	42	28,267	3,508	–	31,817
Trade and other receivables	–	–	7,430	–	7,430
Available-for-sale financial assets	–	–	275	2,633	2,908
Total financial assets	42	28,267	11,213	2,633	42,155
Financial liabilities:					
Trade and other payables	–	–	3,210	–	3,210
Total financial liabilities	–	–	3,210	–	3,210
Net financial assets at the end of the year	42	28,267	8,003	2,633	38,945
2013:					
Financial assets:					
Cash and cash equivalents	43	8,756	5,948	–	14,747
Trade and other receivables	–	–	9,496	–	9,496
Available-for-sale financial assets	–	–	849	4,497	5,346
Total financial assets	43	8,756	16,293	4,497	29,589
Financial liabilities:					
Trade and other payables	2	17,469	3,834	–	21,305
Total financial liabilities	2	17,469	3,834	–	21,305
Net financial assets/(liabilities) at the end of the year	41	(8,713)	12,459	4,497	8,284

Notes to the Financial Statements

For the financial year ended 30 June 2014

24. Financial Instruments: Information on Financial Risks (Cont'd)

24G. Foreign Currency Risks (Cont'd)

	US dollars $'000	China RMB $'000	Australian dollars $'000	Total $'000
Company				
2014:				
Financial assets:				
Cash and cash equivalents	40	–	–	40
Trade and other receivables	4,325	24,065	2,581	30,971
Total financial assets	4,365	24,065	2,581	31,011
Net financial assets at the end of the year	4,365	24,065	2,581	31,011
2013:				
Financial assets:				
Cash and cash equivalents	41	–	–	41
Trade and other receivables	4,377	24,664	4,451	33,492
Total financial assets	4,418	24,664	4,451	33,533
Net financial assets at the end of the year	4,418	24,664	4,451	33,533

Sensitivity analysis:

	2014 $'000	2013 $'000
Group		
A hypothetical 1% (2013: 1%) strengthening in the exchange rate of the functional currency SGD against the RMB with all other variables held constant would have an (adverse)/favourable effect on post-tax profit of:	**(235)**	72
A hypothetical 1% (2013: 1%) strengthening in the exchange rate of the functional currency SGD against the MYR with all other variables held constant would have an adverse effect on post-tax profit of:	**66**	103
A hypothetical 1% (2013: 1%) strengthening in the exchange rate of the functional currency SGD against the AUD with all other variables held constant would have an adverse effect on post-tax profit of:	**22**	37

Notes to the Financial Statements

For the financial year ended 30 June 2014

24. Financial Instruments: Information on Financial Risks (Cont'd)

24G. Foreign Currency Risks (Cont'd)

The effect on post-tax profit for USD is not significant.

	2014 **$'000**	2013 $'000
Company		
A hypothetical 1% (2013: 1%) strengthening in the exchange rate of the functional currency SGD against the USD with all other variables held constant would have an adverse effect on post-tax profit of:	**36**	37
A hypothetical 1% (2013: 1%) strengthening in the exchange rate of the functional currency SGD against the RMB with all other variables held constant would have an adverse effect on post-tax profit of:	**200**	205
A hypothetical 1% (2013: 1%) strengthening in the exchange rate of the functional currency SGD against the AUD with all other variables held constant would have an adverse effect on post-tax profit of:	**21**	37

The above table shows sensitivity to a hypothetical variation in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates.

For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out without taking into consideration hedged transactions.

24H. Equity Price Risk

There are investments in equity shares or similar instruments. As a result, such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. The fair values of these assets and sensitivity analysis are disclosed in Note 15.

Notes to the Financial Statements

For the financial year ended 30 June 2014

25. Capital Commitments

Estimated amounts committed at the end of the financial year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2014	2013
	US$ million	US$ million
Commitments to acquire registered capital of Yangzhou Lion Property Development Co., Ltd	**–**	30

26. Operating Lease Payment Commitments

At the end of the financial year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not later than one year	**153**	289	**–**	–
Later than one year and not later than five years	**570**	592	**–**	–
Later than five years	**2,824**	3,042	**–**	–
Rental expense for the year	**289**	380	**–**	–

Operating lease payments are for rentals payable for offices. The lease rental terms are negotiated for periods between one and five years and certain rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

27. Contingent Liabilities

	Company	
	2014	2013
	$'000	$'000
Unsecured guarantees given to licensed banks and suppliers for trade obligations granted to subsidiaries	**1,089**	1,117

Notes to the Financial Statements

For the financial year ended 30 June 2014

28. Financial Information by Operating Segments

28A. Information about Reportable Segment Profit or Loss, Assets and Liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results of financial position of the reporting entity.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) limestone processing, (2) scrap metal trading, (3) property development and (4) investment holding/others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information. They are managed separately because each business requires different strategies.

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

(a) Limestone processing – processing of limestone into quicklime and hydrated lime.

(b) Scrap metal trading – trading of scrap metal.

(c) Property development – building residential and commercial properties for sale.

(d) Investment holding/others – managing investments.

Notes to the Financial Statements

For the financial year ended 30 June 2014

28. Financial Information by Operating Segments (Cont'd)

28B. Profit or Loss from Continuing Operations and Reconciliations

	Limestone Processing $'000	Scrap Metal Trading $'000	Property Development $'000	Investment Holding/ Others $'000	Total $'000
Year ended 30 June 2014					
Revenue	25,077	7,800	–	–	32,877
Segment Results	2,015	121	(229)	(460)	1,447
Other gains – net	1,477	112	47	377	2,013
Unallocated cost					(1,331)
					2,129
Finance costs	(2)	–	–	–	(2)
Profit before income tax					2,127
Income tax expense					(300)
Net Profit					1,827
Other reportable segment item					
Depreciation					
– segment	2,336	1	2	–	2,339
– unallocated	–	–	–	66	66
					2,405
Impairment loss on available-for-sale financial assets	549	–	–	112	661
Reportable segment assets and consolidated total assets	38,754	15,728	50,655	22,500	127,637
Reportable segmental liabilities	3,073	123	2	708	3,906
Income tax liabilities					85
Deferred tax liabilities					3,149
Borrowings					270
Consolidated total liabilities					7,410
Other reportable segment item					
Capital expenditure	73	14	28	630	745

Notes to the Financial Statements

For the financial year ended 30 June 2014

28. Financial Information by Operating Segments (Cont'd)

28B. Profit or Loss from Continuing Operations and Reconciliations (Cont'd)

	Limestone Processing $'000	Scrap Metal Trading $'000	Property Development $'000	Investment Holding/ Others $'000	Total $'000
Year ended 30 June 2013					
Revenue	22,903	7,913	–	–	30,816
Segment Results	1,630	178	(28)	(46)	1,734
Other gains – net	1,267	29	–	879	2,175
Unallocated cost					(1,601)
					2,308
Finance costs	(3)	–	–	–	(3)
Profit before income tax					2,305
Income tax expense					(526)
Net Profit					1,779
Other reportable segment item					
Depreciation					
– segment	2,425	–	–	–	2,425
– unallocated	–	–	–	–	5
					2,430
Impairment loss on available-for-sale financial assets	379	–	–	–	379
Reportable segment assets and consolidated total assets	45,772	1,522	35,883	65,081	148,258
Reportable segmental liabilities	3,681	9	17,470	725	21,885
Income tax liabilities					122
Deferred tax liabilities					3,553
Consolidated total liabilities					25,560
Other reportable segment item					
Capital expenditure	60	–	–	1	61

Notes to the Financial Statements

For the financial year ended 30 June 2014

28. Financial Information by Operating Segments (Cont'd)

28B. Profit or Loss from Continuing Operations and Reconciliations (Cont'd)

The Group's products are sold to Malaysia, Indonesia, Singapore and other overseas markets, and the management of the Group regularly reviews the financial results by business segment to assess performance and make resource allocation decisions.

There are no sales or other transactions between the business segments. The revenue from external parties reported to the management is measured in a manner consistent with that in the consolidated statement of comprehensive income. Unallocated costs represent corporate expenses. All assets and liabilities are allocated to reportable segments other than income tax liabilities.

28C. Geographical Information

As at 30 June 2014, the Group's three business segments operated in three main geographical areas:

Malaysia - the main activities are limestone processing and scrap metal trading;

Singapore - the main activities are scrap metal trading and investment holding; and

China - the main activities are property development and management consultancy.

	Sales for Operations		Non-current assets	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Singapore	**221**	690	**3,216**	4,502
Malaysia	**32,452**	29,964	**21,404**	24,909
Indonesia	**166**	–	**–**	–
China	**–**	–	**35,202**	–
Other countries	**38**	162	**–**	–
	32,877	30,816	**59,822**	29,411

Sales are based on the country in which the customers are located and non-current assets are shown by the geographical area where the assets are located.

Revenues of approximately $19,972,000 (2013: $21,787,000) are derived from three related parties. These revenues are attributable to the limestone processing and scrap metal trading segments whose customers are in Malaysia.

Notes to the Financial Statements

For the financial year ended 30 June 2014

28. Financial Information by Operating Segments (Cont'd)

28D. Information about Major Customers

	2014 $'000	2013 $'000
Top 1 customer limestone processing and scrap metal trading	8,859	9,411
Top 2 customers limestone processing	15,862	16,527
Top 3 customers limestone processing	19,972	21,787

29. Changes and Adoption of Financial Reporting Standards

For the current reporting year, the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Presentation of Financial Statements (Amendments to) – Presentation of Items of Other Comprehensive Income
FRS 1	Amendment to FRS 1 Presentation of Financial Statements (Annual Improvements)
FRS 16	Amendment to FRS 16 Property, Plant and Equipment (Annual Improvements)
FRS 19	Employee Benefits (Revised)
FRS 27	Consolidated and Separate Financial Statements (Amendments to)
FRS 32	Amendment to FRS 32 Financial instruments: Presentation (Annual Improvements)
FRS 107	Amendments to FRS 32 and 107 titled Offsetting Financial Assets and Financial Liabilities
FRS 113	Fair Value Measurements
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine (*)

(*) Not relevant to the entity.

Notes to the Financial Statements

For the financial year ended 30 June 2014

30. Future Changes in Financial Reporting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 19	Employee Benefits (Revised)	1 Jan 2014
FRS 27	Separate Financial Statements (Revised)	1 Jan 2014
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)	1 Jan 2014
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (*)	1 Jan 2014
FRS 32	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (*)	1 Jan 2014
FRS 107	Financial Instruments: Disclosures (Amendments to) - Offsetting Financial Assets and Financial Liabilities	1 Jan 2014
FRS 110	Consolidated Financial Statements	1 Jan 2014
FRS 111	Joint Arrangements (*)	1 Jan 2014
FRS 112	Disclosure of Interests in Other Entities	1 Jan 2014
INT FRS 121	Levies (*)	1 Jan 2014

(*) Not relevant to the entity.

31. Comparative Figures

The financial statements for the reporting year ended 30 June 2013 were audited by other independent auditors (other than RSM Chio Lim LLP) whose report dated 27 September 2013 expressed an emphasis of matter which describes the uncertainties relating to the carrying amount of land deposits and related transaction costs and accruable late penalty charges. These uncertainties have been cleared during the financial year.

Shareholding Statistics

As at 15 September 2014

Issued and Fully Paid-up Capital	:	$47,494,085.40
No. of Shares Issued	:	405,522,724
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) Vote per share
No. of Treasury Shares Held	:	Nil

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 999	3	0.08	1,403	0.00
1,000 - 10,000	2,332	59.34	14,075,291	3.47
10,001 - 1,000,000	1,578	40.15	80,545,750	19.86
1,000,001 & Above	17	0.43	310,900,280	76.67
Total	3,930	100.00	405,522,724	100.00

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
AMB Venture Sdn Bhd	148,750,644	36.68
Omali Corporation Sdn Bhd	121,562,760	29.98
Andar Investment Pte Ltd	8,853,876	2.18
DBS Nominees Pte Ltd	4,999,000	1.23
CIMB Securities (S'pore) Pte Ltd	3,516,000	0.87
Ng Hian Gay	2,920,000	0.72
OCBC Securities Private Ltd	2,578,000	0.64
United Overseas Bank Nominees Pte Ltd	2,532,000	0.62
Allan Chua Tiang Kwang	2,400,000	0.59
Phillip Securities Pte Ltd	2,141,000	0.53
See Beng Lian Janice	1,995,000	0.49
Yang Siew Ho	1,884,000	0.47
Cheong Soh Chin @ Julie	1,600,000	0.40
Tan Boon Kay	1,600,000	0.40
Hexacon Construction Pte Ltd	1,547,000	0.38
Citibank Nominees S'pore Pte Ltd	1,020,000	0.25
Gromov Vladislav	1,001,000	0.25
Maybank Nominees (S) Pte Ltd	1,000,000	0.25
Maybank Kim Eng Securities Pte Ltd	940,000	0.23
Chua Kah Boey	906,000	0.22
Total	313,746,280	77.38

SHAREHOLDING IN THE HANDS OF PUBLIC

The percentage of shareholding in the hands of public was approximately 31.16% and hence the Company has complied with Rule 723 of the SGX-ST Listing Manual which states that an issuer must ensure that at least 10% of its listed securities is at all time held by the public.

Shareholding Statistics

As at 15 September 2014

SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

Substantial Shareholder	Number of Shares Direct Interest	Deemed Interest*	Total Percentage Interest (%)
Omali Corporation Sdn Bhd(1)	121,562,760	-	29.98
Bright Steel Sdn Bhd(2)	-	121,562,760	29.98
Total Triumph Investments Limited(2)	-	121,562,760	29.98
Lion Corporation Berhad(3)	-	121,562,760	29.98
Graimpi Sdn Bhd(4)	-	121,562,760	29.98
Lion Diversified Holdings Berhad(5)	-	121,562,760	29.98
AMB Venture Sdn Bhd(6)	148,750,644	-	36.68
Lion AMB Resources Berhad(7)	-	148,750,644	36.68
Lion Forest Industries Berhad(7)	-	148,750,644	36.68
Amsteel Mills Sdn Bhd(7)	-	148,750,644	36.68
Steelcorp Sdn Bhd(7)	-	148,750,644	36.68
LLB Steel Industries Sdn Bhd(7)	-	148,750,644	36.68
Lion Industries Corporation Berhad(8)	-	148,750,644	36.68
Tan Sri Cheng Heng Jem(9)	-	270,313,404	66.66

Notes:

* Deemed interests pursuant to Section 7 of the Companies Act, Cap. 50.

(1) Omali Corporation Sdn Bhd ("Omali") is the beneficial and registered owner of 121,562,760 shares.

(2) Bright Steel Sdn Bhd and Total Triumph Investments Limited are deemed interested in the 121,562,760 shares held by Omali.

(4) Lion Corporation Berhad ("LCB"), being the ultimate holding company of Omali, is deemed interested in the 121,562,760 shares held by Omali.

(5) Graimpi Sdn Bhd is deemed interested in the 121,562,760 shares held by Omali by virtue of its interest in LCB.

(5) Lion Diversified Holding Berhad ("LDHB") is deemed interested in the 121,562,760 shares held by Omali by virtue of its interest in LCB.

(6) AMB Venture Sdn Bhd ("AMBV") is the beneficial and registered owner of 148,750,644 shares.

(7) Lion AMB Resources Berhad, Lion Forest Industries Berhad, Amsteel Mills Sdn Bhd, Steelcorp Sdn Bhd and LLB Steel Industries Sdn Bhd are deemed interested in the 148,750,644 shares held by AMBV.

(8) Lion Industries Corporation Berhad ("LICB"), being the ultimate holding company of AMBV, is deemed interested in the 148,750,644 shares held by AMBV.

(9) Tan Sri Cheng Heng Jem is deemed interested in (i) the 121,562,760 shares held by Omali by virtue of his interest in LDHB, and (ii) the 148,750,644 shares held by AMBV by virtue of his interest in LICB.

Notice of 44th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 44th Annual General Meeting of Lion Asiapac Limited (the "Company") will be held at The Conference Room, 10 Arumugam Road #10-00 Lion Building A Singapore 409957 on Tuesday, 21 October 2014 at 11:00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts and Report of the Directors and Auditors of the Company for the year ended 30 June 2014.

2. To declare a first and final dividend of 0.1 cent per ordinary share (tax-exempt one-tier) for the year ended 30 June 2014.

3. To re-elect Mr Loh Kgai Mun, a Director retiring pursuant to Article 91 of the Company's Articles of Association and who, being eligible, offers himself for re-election.

   (Note: Mr Loh Kgai Mun, if re-elected, will be considered a non-independent Director.)

4. To re-elect Mr Cheng Theng How, a Director retiring pursuant to Article 91 of the Company's Articles of Association and who, being eligible, offers himself for re-election.

   (Note: Mr Cheng Theng How, if re-elected, will be considered a non-independent Director.)

5. To consider and, if thought fit, to pass the following resolutions under Section 153(6) of the Companies Act, Cap. 50:

   (a) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Othman Bin Wok be and is hereby re-elected as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

   (Note: Mr Othman Bin Wok, if re-elected, will remain as Chairman of the Audit Committee, Nominating Committee and Remuneration Committee and will be considered an independent Director.)

   (b) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Tan Sri Cheng Heng Jem be and is hereby re-elected as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

   (Note: Tan Sri Cheng Heng Jem, if re-elected, will be considered a non-independent Director.)

6. To approve the payment of S$155,920 as Directors' fees for the year ended 30 June 2014 (2013: S$160,000).

Notice of 44th Annual General Meeting

AS SPECIAL BUSINESS

7. **General Mandate to Directors to Issue Shares and Convertible Securities**

To consider and, if thought fit, to pass, with or without amendments, the following resolution as Ordinary Resolution:

"That pursuant to Section 161 of the Companies Act, Chapter 50 and Article 8(B) of the Company's Articles of Association, authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution is in force,

Provided That:

(1) the aggregate number of shares to be issued pursuant to such authority (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed 50% of the total number of issued shares excluding treasury shares in the capital of the Company for the time being (as determined in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares in the capital of the Company for the time being (as determined in accordance with sub-paragraph (2) below);

(2) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares in the capital of the Company at the time that this Ordinary Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;

Notice of 44th Annual General Meeting

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time that this Ordinary Resolution is passed; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") for the time being in force (unless such compliance is waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless previously revoked or varied by the Company in general meeting) the authority conferred by this Ordinary Resolution to issue shares shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which such Annual General Meeting is required by law to be held (whichever is the earlier)."

8. **Proposed Renewal of, and Amendments to, the General Mandate for Interested Person Transactions**

To consider and, if thought fit, to pass, with or without amendments, the following resolution as Ordinary Resolution:

"That:

(a) approval be and is hereby given for the renewal of, and amendments to, the shareholder's general mandate (which was last approved for renewal at the 43rd Annual General Meeting of the Company on 24 October 2013) for the Company, its subsidiaries and associated companies (collectively, the "Group") which fall within the definition of "entities at risk" under Chapter 9 of the listing manual of the SGX-ST (the "Listing Manual") or any of them to enter into the transactions falling within the categories of interested person transactions ("Interested Person Transactions") set out in Annex II to the Company's letter to shareholders dated 3 October 2014 (the "Letter"), with any party who is of the class or classes of interested persons described in Annex II to the Letter, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders, and are entered into in accordance with the review procedures for Interested Person Transactions as set out in Annex II to the Letter (such shareholders' general mandate, as amended, hereinafter called the "IPT Mandate");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which such Annual General Meeting is required by law to be held, whichever is the earlier;

(c) the audit committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time; and

Notice of 44th Annual General Meeting

(d) the Directors and each of them be and are hereby authorised and empowered to complete and to do all such other acts and things as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the IPT Mandate."

9. To transact such other ordinary business as can be transacted at an Annual General Meeting of the Company.

NOTICE OF BOOKS CLOSURE DATE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 6 November 2014, for the purpose of determining shareholders' entitlements to the proposed first and final dividend of 0.1 cent per ordinary share (tax-exempt one-tier) for the financial year ended 30 June 2014.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 63 Cantonment Road Singapore 089758 up to 5:00 p.m. on 5 November 2014 will be registered before entitlements to the proposed dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 5 November 2014 will be entitled to the proposed dividend.

The proposed dividend, if approved by shareholders at the 44th Annual General Meeting of the Company to be held on 21 October 2014, will be paid on 18 November 2014.

By Order of the Board

Tan Yen Hui
Company Secretary

Singapore, 3 October 2014

Notes:
A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend at the same meeting. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy need not be a member of the Company.

The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 10 Arumugam Road #10-00 Lion Building A Singapore 409957 not less than 48 hours before the time appointed for holding the meeting.

Notice of 44th Annual General Meeting

Statement pursuant to Article 54(A) of the Articles of Association of the Company:

The effect of the resolutions under the heading "Special Business" in the Notice of Annual General Meeting is as follows:

(a) The Ordinary Resolution proposed in item 7 above, if passed, will empower the Directors of the Company to issue shares and convertible securities in the Company up to and not exceeding in aggregate 50% of the total number of issued shares excluding treasury shares in the Company of which the issue of shares and convertible securities other than on a pro-rata basis shall not exceed 20% of the total number of issued shares excluding treasury shares in the Company, for such purposes as they consider would be in the interests of the Company. This authority shall, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company or the date by which such Annual General Meeting is required by law to be held, whichever is the earlier.

(b) The Ordinary Resolution proposed in item 8 above, if passed, will authorise the Group to enter into certain recurring Interested Person Transactions as described in Annex II to the Letter and will empower the Directors to do all acts necessary to give effect to the IPT Mandate. This authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which such Annual General Meeting is required by law to be held, whichever is the earlier.

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LION ASIAPAC LIMITED

(Co. Reg. No. 196800586R)
(Incorporated in the Republic of Singapore)

IMPORTANT: FOR CPF INVESTORS ONLY

1. This Annual Report is forwarded to you at the request of your CPF Approved Nominees and is sent solely for YOUR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

I/We, ____ (Name)

______________________________________ (NRIC/Passport No./Co. Registration No.)

of ____ (Address)

being a member(s) of LION ASIAPAC LIMITED (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote on my/our behalf and, if necessary, to demand a poll, at the 44th Annual General Meeting of the Company to be held at The Conference Room, 10 Arumugam Road #10-00 Lion Building A Singapore 409957 on Tuesday, 21 October 2014 at 11:00 a.m. and at any adjournment thereof in the following manner.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific direction, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting).

No.	Resolutions	For	Against
	Ordinary Business		
1.	Adoption of Directors' Report, Accounts and Auditors' Report for the year ended 30 June 2014		
2.	Declaration of a first and final dividend of 0.1 cent per share (tax-exempt one-tier)		
3.	Re-election of Mr Loh Kgai Mun as Director pursuant to Article 91 of the Company's Articles of Association		
4.	Re-election of Mr Cheng Theng How as Director pursuant to Article 91 of the Company's Articles of Association		
5(a)	Re-election of Mr Othman Bin Wok as Director pursuant to Section 153(6) of the Companies Act, Cap. 50		
5(b)	Re-election of Tan Sri Cheng Heng Jem as Director pursuant to Section 153(6) of the Companies Act, Cap. 50		
6.	Approval of payment of Directors' fees		
	Special Business		
7.	General Mandate to Directors to Issue Shares and Convertible Securities		
8.	Proposed Renewal of, and Amendments to, the General Mandate for Interested Person Transactions		

Dated this ____________ day of October, 2014.

Total No. of Shares in:	**No. of Shares**
1) CDP Register	
2) Register of Members	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read notes overleaf.

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy/proxies shall be deemed to relate to the entire number of shares registered in your name in the Depository Register and the Register of Members.

2. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead and such proxy or proxies need not be a member of the Company.

3. Where a member of the Company appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 10 Arumugam Road #10-00, Lion Building A, Singapore 409957 not less than 48 hours before the time appointed for the Annual General Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or an officer duly authorised.

6. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Cap. 50.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member of the Company, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

AGM
Proxy Form

AFFIX
POSTAGE
STAMP

The Company Secretary
LION ASIAPAC LIMITED
10 Arumugam Road
#10-00, Lion Building A
Singapore 409957

LION ASIAPAC LIMITED
(Co. Reg. No. 196800586R)

10 Arumugam Road #10-00 Lion Building A Singapore 409957
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