LION ASIAPAC LIMITED

(Co. Reg. No. 196800586R)

ANNUAL REPORT 2011

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

AUDIT COMMITTEE
Othman Wok, Chairman
Ying Yoke Kwai
Cheng Theng How

NOMINATING COMMITTEE
Othman Wok, Chairman
Ying Yoke Kwai
Sam Chong Keen

REMUNERATION COMMITTEE
Othman Wok, Chairman
Ying Yoke Kwai
Cheng Theng How

EXECUTIVES' SHARE OPTION SCHEME COMMITTEE
Othman Wok
Ying Yoke Kwai

COMPANY SECRETARIES
Tan Yen Hui, ACIS
Silvester Bernard Grant, ACIS

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Tel: (65) 6593 4848
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AUDITORS
PricewaterhouseCoopers LLP
8 Cross Street #17-00
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Partner-in-charge of the audit:
Yee Chen Fah
(Appointed from the financial year ended 30 June 2008)

PRINCIPAL BANKERS
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65 Chulia Street
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Singapore 049513

Malayan Banking Berhad
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16th Floor, Maybank Tower
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LAWYERS
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Singapore 049145
Tel: (65) 6416 8000
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CHAIRMAN'S MESSAGE

"Our financial position remained healthy with working capital of $82.0 million as at 30 June 2011."

OTHMAN WOK
Chairman

DEAR SHAREHOLDERS,

The past financial year has been characterised by much economic volatility. While world economic growth recovered from the depths of the 2008 and 2009 global financial crisis and ensuing global recession, the recovery has continued to be uneven. In the aftermath of the recent downturn, Asia rebounded relatively better than the developed economies such as the USA and Europe, but their huge sovereign debt issues and sputtering economic growth have recently weighed heavily on Asia's fortunes.

BUSINESS HIGHLIGHTS

During the year, we focused on enhancing our core operational base with the expansion of our quicklime plant and the construction of a hydrated lime plant, both of which added up to about $9.2 million for the year. Hydrated lime is essential to the water treatment and mining industries.

FINANCIAL HIGHLIGHTS

With operations in Malaysia, our Group was affected by prevailing macro-economic developments, registering a 45% decline in revenue from $43.3 million in financial year ended 30 June 2010 ("FY 2010") to $23.7 million in financial year ended 30 June 2011 ("FY 2011"). Net profits attributable to equity holders of the Company fell 96% from $75.1 million in FY 2010 to $2.8 million in FY 2011. This was due to the recognition of a net gain of $75.9 million arising from the disposal of an investment in China in the previous year.

Incorporating the higher earnings gained from the sale of a China investment in FY 2010, our income tax that year was accordingly much higher than in FY 2011. As such, we saw a large reduction in income tax from $13.6 million to $1.1 million over the year.

Other operating expenses fell 35% to $3.4 million, mainly attributable to a reduction in net currency exchange losses from $1.8 million to $0.9 million, as well as a decrease in professional fees to $0.1 million, from $1.3 million incurred in FY 2010 to evaluate several investment projects.

Our financial position remained healthy with working capital of $82.0 million as at 30 June 2011, down from $91.7 million as at 30 June 2010. In FY 2011, the group invested a total of $2.0 million, including shares placed out for a consideration of $0.3 million, in Mindax Limited ("Mindax") , an Australia-listed minerals exploration company. The funds raised will be used by Mindax towards exploration and development of Mindax's Mount Forrest Iron Project.

An interim dividend of $40.6 million was paid by the Company in the first quarter after declaring it in FY 2010. As such, the Group's cash balances decreased from $125.3 million as at 30 June 2010 to $73.4 million as at 30 June 2011.

CHAIRMAN'S MESSAGE

Trade and other payables reduced from $46.9 million as at 30 June 2010 to $6.0 million as at 30 June 2011, mainly due to the payment of an interim dividend declared in June 2010 and paid in July 2010. Total borrowings moved up from $54,000 to $259,000, given an increase in trade financing at financial year-end. Meanwhile, trade and other receivables decreased from $13.5 million to $13.0 million, and inventories increased from $2.2 million to $4.5 million with the replenishment of consumables at financial year-end. Factoring in the additional investment in Mindax and a fair value loss, available-for-sale financial assets went down by $0.6 million to $6.8 million as at 30 June 2011.

DIVIDEND

With our financial results, the Board is pleased to propose a first and final dividend of 0.5 cent per ordinary share (tax-exempt one-tier), subject to shareholder approval at the upcoming Annual General Meeting.

THE YEAR AHEAD

Looking forward, the uncertain business environment necessitates a greater nimbleness in our strategy and tactics. Already, as of August 2011, the US seems headed for a double-dip downturn while public debt overhang continues to weigh ominously on an anaemic, slow-growth Europe. Japan, meanwhile, is tepidly recovering from the March 2011 earthquake and tsunami. Events in these developed economies will no doubt impact the markets we operate in and the Group will be vigilant in treading these grounds. In Singapore, we see the government factoring in these developments, moderating its growth forecast for the country, as of August 2011, to between 5% and 6% for 2011.

In order to meet such challenges, our Group must be flexible and open to various growth avenues. With globalisation and intense competition, business cannot be as usual. The way to grow forward and secure long-term shareholder value is to be agile, open to change, and alternate growth strategies such as through business partnerships.

Nonetheless, as we explore synergistic acquisitions and other viable partnerships, we will also look for ways to organically expand our businesses. Concurrently, we will continue our group-wide review of operations, and trim our businesses if they do not add significant value going forward.

ACKNOWLEDGMENT

As we look back on an eventful year, gratitude must be extended to our management and staff, customers, business associates and shareholders. Your energy, advice and support have enabled us to reach so far. I am confident that, together, we will take Lion Asiapac Limited to the next level.

OTHMAN WOK
Chairman

BUSINESS STRUCTURE

As at 16 September 2011

LION ASIAPAC LIMITED

- **GENERAL TRADING**
  - 100% → LAP TRADING & MARKETING PTE LTD
- **LIMESTONE PROCESSING**
  - 100% → LAP INVESTMENT PTE LTD
    - 100% → COMPACT ENERGY SDN BHD
- **INVESTMENT HOLDING**
  - 100% → LAP EXPLORATION PTE LTD
    - 13% → MINDAX LIMITED

BUSINESS REVIEW

The financial year ended 30 June 2011 ("FY 2011") was a year of consolidation where we focused on developing our production capacity and product range in limestone processing, exited the loss-making electronics business, and manoeuvred through the volatile scrap metal business.

LIMESTONE PROCESSING

Limestone Processing remained one of our core business segments and business drivers with revenue of $18.5 million and earnings of $3.1 million in FY 2011. This amounted to 78% of the Group's revenue of $23.7 million during the year. During the year, the Group also focused on enhancing its core operations in limestone processing through the expansion of its quicklime plant and the construction of its hydrated lime plant, both in Malaysia. The total aggregated cost amounted to $9.2 million for the full year.

Hydrated lime is an important additive in several industrial processes, namely for pH control in potable water treatment plants and in the flotation or recovery of many non-ferrous ores. Hydrated lime is also used in the flotation of copper, zinc, nickel and lead-bearing ores. With an annual output capacity of 72,000 tons, this hydrated lime plant will better position our Malaysian subsidiary, Compact Energy Sdn Bhd, to capitalise on the increasing demand from Malaysia's water treatment plants, with their business propelled, as it were, by the country's rapid industrialisation and urbanisation. With hydrated lime, we will also be able to target the mining sector.





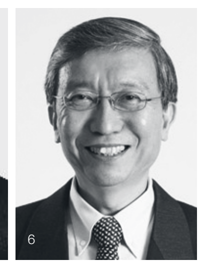
SCRAP METAL TRADING

Scrap Metal Trading, which is conducted by LAP Trading and Marketing Pte Ltd, saw a decrease in turnover to $5.1 million and a reduction in earnings to $0.1 million during the year, due to market volatility. Sales in this segment comprised 22% of the Group's revenue for FY 2011. With the trend towards environmentally-friendly industrial processes, we believe the long-term demand for recycled scrap metal, which is what we trade in, remains. We will have to double our efforts in this front, with increased competition and volatility in this market space.

MOVING FORWARD

As we begin a new financial year, we aim to build on the stronger base in our core limestone processing operations. Building on an expanded product range and production capabilities, we aim to service a wider range of industries and meet growing demand. Our group will also actively seek new business opportunities in order to secure our long-term growth.

BOARD OF DIRECTORS



OTHMAN WOK
Chairman & Independent Director
Mr Othman 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. He was last re-elected as a Director in October 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 27 October 2011.

Mr Loh has broad experience in finance and various operational and management functions of multi-national manufacturing organisations as well as listed companies. He has been the Group General Manager of the Company since October 2006, overseeing operational, financial and management matters of the Group. Additionally, he is also involved in strategic planning. He oversees the set up and expansion of the Group's limestone processing division in Banting, Malaysia.

Mr Loh joined The Lion Group in 1998 as the Financial Controller of LTC Telecommunications Pte Ltd and was responsible for Lion Teck Chiang Limited's ("LTC") telecommunication investment in China. Concurrently, he also headed the Group Internal Audit department and Group MIS department for both the Company and LTC.

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.

1. OTHMAN WOK / *Chairman & Independent Director*
2. LOH KGAI MUN / *Executive Director*
3. YING YOKE KWAI / *Independent Director*
4. SAM CHONG KEEN / *Independent Director*
5. TAN SRI CHENG HENG JEM / *Non-Executive Director*
6. CHENG THENG HOW / *Non-Executive Director*
7. LEE WHAY KEONG / *Non-Executive Director*

YING YOKE KWAI
Independent Director

Mr Ying Yoke Kwai is an Independent Director of the Company since March 1996. He is also a member 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 Ying joined Lever Brothers (Singapore) Sdn. Bhd. ("Lever Brothers"), a multi-national company in Singapore, in 1952 as Marketing Assistant. After various rounds of promotion, he became the General Manager for a new factory in 1970 and subsequently served as Director of Administration from 1976 till his retirement in 1981. During his 29 years' tenure at Lever Brothers, Mr Ying was involved in and responsible for sales, marketing, advertising, accounting, manufacturing and human resources. Thereafter, he was engaged as a Consultant to the Detergent Division of British Petroleum Plc till 1986.

Mr Ying has also played an active role in social work on a voluntary capacity, especially in the Singapore Chemical Industries Council of which he was responsible for its formation in 1978 and became its first Chairman for four (4) years. Thereafter he was its Honorary Chairman for 10 years till 1992.

Mr Ying holds a school certificate from the University of Cambridge, and a certificate in Advanced Management from the Singapore Institute of Management.

SAM CHONG KEEN
Independent Director

Mr Sam Chong Keen is an Independent Director of the Company, and a member of the Nominating 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 2010.

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.

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

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 was last re-elected as a Director in October 2010.

Tan Sri Cheng has more than 35 years of experience in the business operations of The Lion Group encompassing steel, retail, property development, tyre, computer and plantation. He is currently the Chairman and Managing Director of public companies listed on Bursa Malaysia Securities Berhad, namely Lion Corporation Berhad and Parkson Holdings Berhad.

Tan Sri Cheng is the President of The Associated Chinese Chambers of Commerce and Industry of Malaysia, and also The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor.

Tan Sri Cheng currently sits on the board of Lion Teck Chiang Limited, a public company listed in Singapore. He is also the chairman of Lion Diversified Holdings Berhad and Lion Forest Industries Berhad, both of which are public companies listed in Malaysia, as well as Parkson Retail Group Limited which is listed in Hong Kong.

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 and Remuneration Committee. He was last re-elected as a Director in October 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 27 October 2011.

Mr Cheng is currently the General Manager and Director of Angkasa Amsteel Pte Ltd (formerly known as Angkasa Hong Leong 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 Bhd.

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 2010.

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.

In 2003, he was appointed General Manager of Lion Plate Mills Sdn Bhd, a company which manufactures and markets steel plates in Malaysia. In 2009, he was also tasked with overseeing The Lion Group’s plantation division.

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

KEY MANAGEMENT

WONG MIN SEONG
Assistant General Manager,
Limestone Processing Division

Mr Wong Min Seong is the Assistant General Manager of Compact Energy Sdn Bhd since May 2007, and is overall in charge of the operations of the Group’s limestone processing plant in Malaysia.

Mr Wong started his career as a Marine Engineer at Pacific Carrier Ltd, Singapore in 1987, and left in 1990 to join Vestech Engineering Sdn Bhd as Production Engineer. In 1993, he was an Assistant Production Manager at Natsteel Chemicals (M) Sdn Bhd (“Natsteel”), and after a few rounds of promotion, he became its Plant Manager to oversee the production and maintenance of all plant machineries. After 11 years of service at Natsteel, he left in 2004 to become the Assistant General Manager of Megasteel Sdn Bhd and was overall in charge of its limekiln project.

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.

TEE CHEE WAY
Group Accountant

Mr Tee Chee Way joined the Company in 2009 as Assistant Group Accountant, and assumed the position of Group Accountant in May 2011. He is responsible for financial accounting and reporting, treasury control and taxation of the Group. Prior to joining the Company, he was an auditor with various public accounting firms since 2004. Mr Tee holds a Bachelor of Commerce Degree in Accounting and Finance from the Curtin University of Technology (Australia). He is a member of CPA Australia.

TAN YEN HUI
Company Secretary

Ms Tan Yen Hui joined the Company 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 2011 S$'000	30 June 2010 S$'000
Continuing Operations		
Revenue		
- Limestone processing	18,537	20,999
- Scrap metal trading	5,065	19,701
- Electronic component distribution	108	2,629
	23,710	43,329
Profit before tax	3,939	88,405
Net profit after tax	2,843	74,781
Segmental result		
- Limestone processing	3,067	4,349
- Scrap metal trading	121	442
- Electronic component distribution	(447)	(1,188)
- Investment holding / others	(131)	(1,199)
	2,610	2,404

CONSOLIDATED BALANCE SHEET	30 June 2011 S$'000	30 June 2010 S$'000
Current assets	91,230	141,273
Current liabilities	(9,207)	(49,574)
Net current assets	82,023	91,699
Property, plant and equipment	26,502	19,754
Financial assets, available-for-sale	6,776	7,349
Deferred income tax liabilities	(2,469)	(2,358)
Other non-current liabilities	-	(18)
Net assets	112,832	116,426
Represented by:		
Shareholders' equity	111,216	114,688
Non-controlling interests	1,616	1,738
Shareholders' funds	112,832	116,426

	30 June 2011 (cents)	30 June 2010 (cents)
Earnings per share		
- Basic	0.70	18.51
- Diluted	0.70	18.51
Net asset value per ordinary share	27.43	28.28
Special interim dividend per ordinary share	-	15.00
Second interim dividend per ordinary share	-	10.00
First and final dividend per ordinary share	0.50	-

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 2005 (the "Code").

BOARD MATTERS

The Board's Conduct of its Affairs

The Board is responsible for the overall strategy and direction of the Group. It provides entrepreneurial leadership, sets strategic aims, 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 risk to be assessed and managed. It sets the Company's values and standards, and ensures that obligations to shareholders and others are understood and met.

During the financial year, the Board met seven (7) 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 Balance

The Board comprises seven (7) Directors, three (3) 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 Wok	(Chairman, Independent Director)
	Ying Yoke Kwai	(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.

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 between the Executive Director and non-executive Directors.

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 assists in ensuring compliance with the Company's guidelines on corporate governance, in order to promote high standards of corporate governance of the Company.

CORPORATE GOVERNANCE REPORT

BOARD MATTERS (CONT'D)

Directors' Attendance

To facilitate effective management, the Board delegates certain functions to the various Board Committees ie. Audit, Nominating, Remuneration and Executives' Share Option Scheme Committees.

The number of meetings of the Company attended by the Directors during the financial year ended 30 June 2011 is set out as follows:

	Board	**Audit**	**Nominating**	**Remuneration**
Number of meetings held:	**7**	**14**	**2**	**1**
Number of meetings attended:				
Othman Wok	7	14	2	1
Loh Kgai Mun	7	n.a.	n.a.	n.a.
Tan Sri Cheng Heng Jem*	5	n.a.	n.a.	n.a.
Ying Yoke Kwai	7	14	2	1
Sam Chong Keen	7	n.a.	2	n.a.
Cheng Theng How	7	13	n.a.	1
Lee Whay Keong*	5	n.a.	n.a.	n.a.
Wong See Meng^	2	n.a.	n.a.	n.a.

* *Appointed as Directors on 7 September 2010.*
^ *Stepped down as Director on 6 September 2010.*

Nominating Committee

The Nominating Committee ("NC") comprises three (3) Directors, all of whom including the Chairman are independent. The NC met twice during the financial year.

Othman Wok (Chairman, Independent Director)
Ying Yoke Kwai (Independent Director)
Sam Chong Keen (Independent Director)

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.

The NC is also 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 financial indicators set out in the Code as guides for the evaluation of directors are, in the Company's opinion, more of a measure of management's performance and hence are less applicable to directors. In any case, such financial indicators provide a snapshot of a company's performance, and do not fully measure the sustainable long term wealth and value creation of the company. Rather, a director is generally assessed by his/her 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.

BOARD MATTERS (CONT'D)

Nominating Committee (cont'd)

The NC will use its best efforts to ensure that directors appointed to the Board possess the background, experience and knowledge relevant to the industry, as well as business, finance and management skills critical to the Company's businesses. In the event that a director has multiple board representations, the NC will determine whether or not a director is able to and has been adequately carrying out his/her duties as director of the Company. Also, 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. 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 Wok, Ying Yoke Kwai and Sam Chong Keen are independent Directors. Despite some of the Directors having multiple board representations, the NC is of the view that these Directors are able to and have adequately carried out their duties as Directors of the Company.

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 shall retire by rotation at the forthcoming 41st AGM pursuant to Article 91 and shall be eligible for re-election. Two Directors, Messrs Othman Wok and Ying Yoke Kwai, are subject to Section 153(6) of the Companies Act to hold office until the conclusion of each AGM and they 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.

Executives' Share Option Scheme Committee

The Executives' Share Option Scheme ("ESOS") Committee comprises two (2) Directors, all of whom are independent.

Othman Wok	(Independent Director)
Ying Yoke Kwai	(Independent Director)

The ESOS Committee is responsible for the administration of the ESOS of the Company and the committee members do not participate in the ESOS.

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

Remuneration Committee

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 Wok (Chairman, Independent Director)
Ying Yoke Kwai (Independent Director)
Cheng Theng How (Non-Executive Director)

The RC is responsible for recommending to the Board a framework of remuneration for the Directors and key executives.

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

The non-executive Directors are remunerated with fees which are set in accordance with a remuneration framework comprising basic fees, committee fees and attendance fees. All Directors' fees are subject to the approval of shareholders at each AGM.

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.

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

Remuneration Report

Details of remuneration paid to the Directors of the Company for the year ended 30 June 2011 are set out as follows:

Remuneration Band	Name of Director	Salary	Bonus	Directors' Fees	Total
S$250,000 to below S$500,000	Loh Kgai Mun	69%	31%	–	100%
Below $250,000	Othman Wok	–	–	100%	100%
	Tan Sri Cheng Heng Jem*	–	–	100%	100%
	Ying Yoke Kwai	–	–	100%	100%
	Sam Chong Keen	–	–	100%	100%
	Cheng Theng How	–	–	100%	100%
	Lee Whay Keong*	–	–	100%	100%
	Wong See Meng^	–	–	100%	100%

* *Directors' fees from 7 September 2010 to 30 June 2011.*
^ *Director's fee from 1 July 2010 to 6 September 2010.*

For competitive reasons, details of remuneration paid to the top five (5) key executives of the Group for the year ended 30 June 2011 are not disclosed.

ACCOUNTABILITY AND AUDIT

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 Wok	(Chairman, Independent Director)
Ying Yoke Kwai	(Independent Director)
Cheng Theng How	(Non-Executive Director)

The AC carries out the functions set out in the Code and the Companies Act. 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 six (6) times with the presence of internal and external auditors and appropriate members of the management, once with the internal auditors and the management, and another seven (7) 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 ensures that a review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually. 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 audit and its cost effectiveness, and the independence and objectivity of the external auditors. The nature and extent of non-audit services performed by external auditors are also reviewed by the AC. There were no non-audit services provided by the external auditors during the year ended 30 June 2011.

Internal Controls and Internal Audit

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

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.

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 internal audit team is independent of the activities it audits, and it abstains from audit of certain activities where conflict of interests might arise.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT (CONT'D)

Internal Controls and Internal Audit (cont'd)

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 has ensured that the internal audit function is adequately resourced to carry out its duties effectively and has appropriate standing within the Company.

The AC reviews, on an annual basis, the adequacy and effectiveness of the internal audit function.

The Board believes that, based on information provided and after due enquiry, the system of internal controls that has been maintained by the Group's management during the year is adequate to meet the needs of the Group in its current business environment.

COMMUNICATION WITH SHAREHOLDERS

The Board is committed to provide timely and fair disclosure of material information in accordance with regulatory and legal requirements.

The Chairman ensures that the Company engages in regular, effective and fair communication with shareholders of the Company. To maintain transparency, the Board does not practise selective disclosure. The shareholders are informed of all material developments that impact the Group in a timely manner via SGXNET and postings on the Company's internet website.

The Board regards the AGM as an opportunity to communicate directly with shareholders and encourages participative dialogue. The members of the Board and chairman of the Board Committees will attend the AGM 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.

SECURITIES TRANSACTIONS

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

The Compliance Code prohibits all Directors and officers of the Company who have access to price sensitive information, 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 shares of the Company on short-term considerations.

RENEWAL OF GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Introduction

At the 40th AGM of the Company held on 25 October 2010, shareholders of the Company ("Shareholders") approved the renewal of the general mandate for Interested Person Transactions ("IPT Mandate") that will enable the Company, its subsidiaries and associated companies, or any of them, that are entities at risk, to enter into certain transactions ("IPT") with the classes of interested persons ("Interested Persons") as set out in the IPT Mandate.

Pursuant to Chapter 9 of the listing manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), a general mandate for transactions with Interested Persons is subject to annual renewal. The IPT Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the forthcoming 41st AGM.

Accordingly, the Directors of the Company are proposing that the approval of the Shareholders for the renewal of the IPT Mandate be sought at the 41st AGM of the Company to be held at The Conference Room, 10 Arumugam Road, #10-00 Lion Building A, Singapore 409957 on 27 October 2011 at 11:30 a.m.

SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this IPT Mandate.

General information with respect to listing rules of the SGX-ST relating to interested person transactions, including the definitions of "approved exchange", "associate", "associated company" and "interested person", used in Chapter 9 of the Listing Manual, is also set out in pages 27 to 29 of this Annual Report.

2. Rationale for the Proposed Renewal of the IPT Mandate

It is envisaged that the Company, its subsidiaries and associated companies (other than (a) subsidiaries or associated companies which are themselves listed on the SGX-ST or an approved exchange, or (b) associated companies over which the Company and its subsidiaries and/or its interested person(s) have no control) which are considered to be "entities at risk" within the meaning of Chapter 9 of the Listing Manual (together, the "Group"), or any of them, will, in the ordinary course of their businesses, enter into transactions with Interested Persons for mutual benefit. Such transactions are likely to occur with some degree of frequency, and could arise at any time. Such transactions would include the provision of goods and services in the ordinary course of business of the Group to Interested Persons or the obtaining of goods and services from such Interested Persons.

Given that the IPTs are expected to be recurrent transactions and may occur at any time, and to allow the Group to undertake such transactions in a more expeditious manner, the Directors are seeking Shareholders' approval for the renewal of the IPT Mandate for the purposes of Chapter 9 of the Listing Manual and for the Group to enter into the categories of IPTs with certain classes of Interested Persons as set out in paragraphs 5 and 4 below respectively.

3. Benefits of the IPT Mandate

The IPT Mandate is intended to facilitate specified categories of IPTs in the normal course of business of the Group which are transacted, from time to time, with the specified classes of Interested Persons, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT Mandate will enhance the ability of companies in the Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when the need to enter into a specified category of IPTs with an Interested Person arises. This will reduce the expenses associated with convening of general meetings on an *ad hoc* basis, improve administrative efficiency considerably and allow manpower resources and time to be channelled towards attaining other corporate objectives available to the Group.

CORPORATE GOVERNANCE REPORT

RENEWAL OF GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS (CONT'D)

4. Classes of Interested Persons

The IPT Mandate will apply to the IPTs (as described in paragraph 5 below) with the following classes of Interested Persons, namely:

(A) Lion Corporation Berhad ("LCB"), its subsidiaries and associated companies;

(B) Lion Industries Corporation Berhad ("LICB"), its subsidiaries and associated companies;

(C) Lion Diversified Holdings Berhad ("LDHB"), its subsidiaries and associated companies; and

(D) ACB Resources Berhad ("ACB") (formerly known as Amsteel Corporation Berhad), its subsidiaries and associated companies.

The relationships between the classes of Interested Persons and the Company are disclosed in page 90 of this Annual Report.

Transactions with Interested Persons that do not fall within the ambit of the IPT Mandate will be subjected to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

5. Categories of IPTs

The transactions entered into by the Group with the Interested Persons which will be covered by the IPT Mandate are as follows:

5.1 Sale of Quicklime

The Group will supply quicklime to the Interested Persons. The basis of determining the contract and/or transaction terms are defined herein below.

5.2 Sale of Scrap Metal

The Group will supply scrap metal to the Interested Persons. The basis of determining the contract and/or transaction terms are defined herein below.

5.3 Trading of Automotive Components

The Group will supply CKD (acronym for Completely Knocked Down which refers to automotive kits used for assembly) to the Interested Persons for assembly by the Interested Persons into CBU (acronym for Completely Built Up which refers to the assembled automotive from CKD that is ready for sale to the end customer) for distribution. Payment by the Interested Persons can be made via the following two options:

(A) Cash on Delivery; or

(B) Deferred Payment Scheme ("Scheme")

The Scheme involves the Interested Persons transferring the title of a CBU to the Group as consideration ("Original Consideration") for the CKD prior to delivery of the latter. The transfer in title, which serves as security to the Group, is formalized via a sales invoice issued by the Interested Persons to the Group. Upon the maturity of the credit term or any other time earlier, the Group will transfer the title of the original CBU back to the Interested Persons, via a sales invoice, upon receipt of monies of an amount equivalent to the Original Consideration, from the Interested Persons;

The basis of determining the contract and/or transaction terms are defined herein below.

RENEWAL OF GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS (CONT'D)

5. Categories of IPTs (cont'd)

5.4 Provision and/or Obtaining of Services arising from business operations

The Group will in the ordinary course of business provide or obtain, *inter alia*, management, consultancy, leasing or warehousing, internal audit and information technology services relating to its business operations. The basis of determining the contract and/or transaction terms are defined herein below.

The IPT Mandate will not cover any transaction by a company in the Group with an Interested Person that is below S$100,000 in value as the threshold and aggregation requirements of Chapter 9 would not apply to such transactions.

6. Review Procedures for IPTs

6.1 In general, the Group has internal control procedures to ensure that the IPTs are undertaken at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

(A) Sale of Quicklime

The review procedures are as follows:

(i) All contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market prices determined by market conditions on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases and long-term contracts where the giving of such preferential prices/rates/discounts are commonly practised within the applicable industry and may be extended to unrelated third parties), or otherwise in accordance with applicable industry norms. The Company will source for documented evidences of market prices, where practicable, for ascertaining the reasonableness of the pricing;

(ii) Where the prevailing market prices or rates are not available due to the nature of the products to be sold or the services to be provided and the then prevailing business conditions, the Company will, subject to the Audit Committee's concurrence, determine a reasonable percentage mark-up from cost to ensure that the pricing for such products or services to an Interested Person is in accordance with industry norms and usual business practices, strategic direction of the Group and pricing policies of the relevant company in the Group. In determining the transaction price or rate payable by the Interested Person for such products and services, factors such as, but not limited to, specifications, quantity, volume, customer requirements, duration of contract, and credit worthiness, will be taken into consideration; and

(iii) Notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions, which are not already covered under the aforementioned contracts, in accordance with the following threshold:

(a) Contracts and transactions amounting to or exceeding S$100,000 but less than S$500,000 in value to be reviewed and approved by the Group Internal Audit Manager; or

(b) Contracts and transactions amounting to or exceeding S$500,000 but less than S$1,000,000 in value to be reviewed and approved by the Group Internal Audit Manager and any one of the non-executive Directors; or

(c) Contracts and transactions amounting to or exceeding S$1,000,000 in value to be reviewed and approved by the Audit Committee;

CORPORATE GOVERNANCE REPORT

RENEWAL OF GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS (CONT'D)

6. Review Procedures for IPTs (cont'd)

6.1 (cont'd)

(B) Sale of Scrap Metal

The review procedures are as follows:

(i) All contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market prices determined from available public sources, such as the Metal Bulletin or any such other sources approved by the Audit Committee, and on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases and long-term contracts where the giving of such preferential prices/rates/discounts are commonly practised within the applicable industry and may be extended to unrelated third parties), or otherwise in accordance with applicable industry norms;

(ii) Where the prevailing market prices or rates are not available due to the nature of the products to be sold, the Company will, subject to the Audit Committee's concurrence, determine a reasonable percentage mark-up from cost to ensure that the pricing for such products or services to an Interested Person is in accordance with industry norms and usual business practices, strategic direction of the Group and pricing policies of the relevant company in the Group. In determining the transaction price or rate payable by the Interested Person for such products and services, factors such as, but not limited to, specifications, quantity, volume, customer requirements, duration of contract, and credit worthiness, will be taken into consideration; and

(iii) Notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions, which are not already covered under the aforementioned contracts, in accordance with the following threshold:

(a) Contracts and transactions amounting to or exceeding S$100,000 but less than S$2,500,000 in value to be reviewed and approved by the Group Internal Audit Manager; or

(b) Contracts and transactions amounting to or exceeding S$2,500,000 but less than S$5,000,000 in value to be reviewed and approved by the Group Internal Audit Manager and any one of the non-executive Directors; or

(c) Contracts and transactions amounting to or exceeding S$5,000,000 in value to be reviewed and approved by the Audit Committee;

(C) Trading of Automotive Components

The review procedures are as follows:

(i) Due to the fact that CKD units are usually assembled internally and the pricings for CKD units are highly dependent on the brands, comparable market prices for the units may not be readily available. Owing to this, the Company will, subject to the Audit Committee's concurrence, determine a reasonable percentage mark-up from cost to ensure that the pricing for such products or services to an Interested Person is in accordance with industry norms and usual business practices, strategic direction of the Group and pricing policies of the relevant company in the Group. In determining the transaction price or rate payable by the Interested Person for such products and services, factors such as but not limited to, specifications, quantity, volume, customer requirements, duration of contract, and credit worthiness, will be taken into consideration; and

RENEWAL OF GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS (CONT'D)

6. Review Procedures for IPTs (cont'd)

6.1 (cont'd)

(C) Trading of Automotive Components (cont'd)

(ii) Notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions, which are not already covered under the aforementioned contracts, in accordance with the following threshold:

(a) Contracts and transactions amounting to or exceeding S$100,000 but less than S$2,500,000 in value to be reviewed and approved by the Group Internal Audit Manager; or

(b) Contracts and transactions amounting to or exceeding S$2,500,000 but less than S$5,000,000 in value to be reviewed and approved by the Group Internal Audit Manager and any one of the non-executive Directors; or

(c) Contracts and transactions amounting to or exceeding S$5,000,000 in value to be reviewed and approved by the Audit Committee;

(D) Provision and/or Obtaining of Services arising from business operations

The review procedures are as follows:

(i) All contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market prices determined by market conditions on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential prices/rates/discounts accorded to a class of customers and long-term contracts where the giving of such preferential prices/rates/discounts are commonly practised within the applicable industry and may be extended to unrelated third parties), or otherwise in accordance with applicable industry norms. The Company will source for documented evidences of market prices, where practicable, for ascertaining the reasonableness of the pricing;

(ii) Where the prevailing market prices or rates are not available due to the nature of the service to be provided, the Company will, subject to the Audit Committee's concurrence, determine a reasonable percentage mark-up from cost or through a formula, to ensure that the pricing for such services to an Interested Person is in accordance with industry norms and usual business practices, strategic direction of the Group and pricing policies of the relevant company in the Group. In determining the price or rate payable by the Interested Person for such services, factors such as but not limited to, service requirements, duration of contract, and credit worthiness, will be taken into consideration; and

CORPORATE GOVERNANCE REPORT

RENEWAL OF GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS (CONT'D)

6. Review Procedures for IPTs (cont'd)

6.1 (cont'd)

(D) Provision and/or Obtaining of Services arising from business operations (cont'd)

(iii) Notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions, which are not already covered under the aforementioned contracts, in accordance with the following threshold:

(a) Contracts and transactions amounting to or exceeding S$100,000 but less than S$500,000 in value to be reviewed and approved by the Group Internal Audit Manager; or

(b) Contracts and transactions amounting to or exceeding S$500,000 but less than S$1,000,000 in value to be reviewed and approved by the Group Internal Audit Manager and any one of the non-executive Directors; or

(c) Contracts and transactions amounting to or exceeding S$1,000,000 in value to be reviewed and approved by the Audit Committee;

The thresholds as set out above are determined by factors which include, *inter alia*, frequency of the contracts/transactions, the market prices of the products/services and the anticipated contract/transaction volume.

6.2 Notwithstanding the aforementioned limit for approval in paragraph 6.1 above, prior approval will have to be sought for any contracts and transactions, in accordance with the following threshold:

Where the aggregate value for all the IPTs, which are not required under the review procedures to be approved by either the Group Internal Audit Manager and any one of the non-executive Directors, or the Audit Committee, for any particular year,

(A) amounts to or exceeds S$10,000,000, any subsequent contracts and transactions with any Interested Person amounting to or exceeding S$2,500,000 in aggregate value, shall require the approval of the Audit Committee; or

(B) amounts to or exceeds S$15,000,000, any subsequent contracts and transactions with any Interested Person amounting to or exceeding S$1,500,000 in aggregate value, shall require the approval of the Audit Committee; or

(C) amounts to or exceeds S$20,000,000, any subsequent contracts and transactions with any Interested Person amounting to or exceeding S$500,000 in aggregate value, shall require the approval of the Audit Committee.

6.3 Additional Controls

(A) The Company will maintain a register of transactions carried out with Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into) and those transactions that are below S$100,000.

(B) The Company's annual internal audit plan shall incorporate a review of all IPTs, including the established review procedures for monitoring of such IPTs, entered into during the current financial year pursuant to the IPT Mandate.

RENEWAL OF GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS (CONT'D)

6. Review Procedures for IPTs (cont'd)

6.3 Additional Controls (cont'd)

(C) The Audit Committee shall review and approve the maximum value (pre-approved cap) of IPTs for each category of IPTs for the forthcoming 12 months or whichever period that is shorter, as determined by the Audit Committee. Ratification shall be sought from the Audit Committee, should the pre-approved cap be breached, notwithstanding that the contracts or transactions are within the thresholds set out in paragraphs 6.1(A)(iii), 6.1(B)(iii), 6.1(C)(ii) and 6.1(D)(iii) above.

(D) The Group Internal Audit Manager shall, on at least a half-yearly basis, subject to adjustment in frequency, depending on factors such as, *inter alia*, substantial increment of aggregate transactional value, report to the Audit Committee on all IPTs, and the basis of such transactions, entered into with Interested Persons during the preceding period. The Audit Committee shall review such IPTs at its periodic meetings except where IPTs are required under the review procedures to be approved by the Audit Committee prior to the entry thereof.

(E) The Audit Committee will conduct periodic reviews (not less than half-yearly) of the review procedures for IPTs. If, during these periodic reviews, the Audit Committee is of the view that these review procedures are not sufficient to ensure that the IPTs are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh IPT Mandate from the Shareholders based on new review procedures for IPTs. All IPTs will be reviewed and approved by the Audit Committee prior to entry while a fresh IPT Mandate is being sought from the Shareholders.

(F) For the purposes of the above review and approval process, any Director who is not considered independent for the purposes of the IPT Mandate and/or any IPTs will abstain from voting on any resolution relating thereof, and/or abstain from participating in the Audit Committee's decision during its review of the established review procedures for the IPTs or during its review or approval of any IPT.

6.4 Further Compliance

The Directors will ensure that all relevant disclosure, approval and other requirements on IPTs, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.

7. Expiry and Renewal of the IPT Mandate

If approved by Shareholders at the forthcoming 41st AGM, the IPT Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in general meeting) continue to be in force until the next AGM of the Company and will apply to IPTs entered into from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent AGM, subject to review by the Audit Committee of its continued application to the IPTs.

If the Audit Committee is of the view that the review procedures under the IPT Mandate are not sufficient to ensure that the IPTs are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh IPT Mandate from the Shareholders based on new review procedures for IPTs.

CORPORATE GOVERNANCE REPORT

RENEWAL OF GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS (CONT'D)

8. Disclosure

Pursuant to Rule 920(1)(a) of the Listing Manual, the Company will disclose the IPT Mandate and the aggregate value of the IPTs conducted pursuant to the IPT Mandate in the annual report of the Company for the current financial year, and in the annual reports for the subsequent financial years during which the IPT Mandate is in force. In addition, the Company will announce the aggregate value of the IPTs conducted pursuant to the IPT Mandate for the financial periods on which it is required to report on (pursuant to Rule 705 of the Listing Manual) within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.

9. Directors' and Substantial Shareholders' Interests

The interests of the Directors and substantial shareholders of the Company (the "Substantial Shareholders") in the shares of the Company as at 30 June 2011 and 16 September 2011 respectively, can be found in pages 31 and 90 of this Annual Report respectively.

10. Abstentions

Tan Sri Cheng Heng Jem, a Non-Executive Director, is a controlling shareholder of the Company. He is also a director of LDHB and LCB, and of certain subsidiaries of LICB. LDHB, LCB and LICB are controlling shareholders of the Company. By virtue of Tan Sri Cheng's deemed interest in the Company and directorships in the aforementioned companies, he is considered an Interested Person in relation to the IPT Mandate. Tan Sri Cheng will abstain from recommending in voting on the ordinary resolution relating to the renewal of the IPT Mandate.

Mr Cheng Theng How, a Non-Executive Director, is also a director of Antara Steel Mills Sdn Bhd and Amsteel Mills Sdn Bhd, both of which are subsidiaries of LICB, which in turn is a controlling shareholder of the Company. By virtue of Mr Cheng's directorship in the aforementioned companies, he is considered an Interested Person in relation to the IPT Mandate. Mr Cheng will abstain from recommending in voting on the ordinary resolution relating to the renewal of the IPT Mandate.

Mr Lee Whay Keong, a Non-Executive Director, is also a director of Omali Corporation Sdn Bhd ("Omali") and AMB Venture Sdn Bhd ("AMB"), and of certain subsidiaries of LCB, LDHB and LICB. Omali, AMB, LCB, LDHB and LICB are controlling shareholders of the Company. By virtue of Mr Lee's directorships in the aforementioned companies, he is considered an Interested Person in relation to the IPT Mandate. Mr Lee will abstain from recommending in voting on the ordinary resolution relating to the renewal of the IPT Mandate.

Further, Tan Sri Cheng Heng Jem, Mr Cheng Theng How and Mr Lee Whay Keong will decline to accept appointment as proxy to vote on the ordinary resolution approving the renewal of the IPT Mandate unless the Shareholder appointing them as his proxy shall have given specific instructions as to the manner in which his votes are to be cast.

Save as disclosed above, none of the Directors and the Substantial Shareholders have any interest, whether directly or indirectly, in the IPT Mandate.

11. Independent Directors' Recommendation

The Independent Directors having considered, *inter alia,* the terms, the rationale and the benefits of the proposed renewal of the IPT Mandate, are of the view that the said renewal is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution thereof at the forthcoming 41st AGM.

RENEWAL OF GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS (CONT'D)

12. Statement of the Audit Committee

The Audit Committee confirms that:

(A) The methods and procedures for determining the transaction prices of the IPTs conducted under the IPT Mandate have not changed since the Shareholders' approval of the renewal of the IPT Mandate at the 40th AGM held on 25 October 2010;

(B) The methods and procedures referred to in paragraph 12(A) above continue to be sufficient to ensure that the said IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders; and

(C) The Company will obtain a fresh mandate from the Shareholders if the methods or procedures referred to in paragraph 12(A) above are no longer sufficient to ensure that the said IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

13. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated herein are fair and accurate and that there are no material facts the omission of which would make any statement in this Annual Report misleading.

OVERVIEW OF LISTING MANUAL REQUIREMENTS FOR INTERESTED PERSON TRANSACTIONS

1. Introduction

Chapter 9 of the Listing Manual applies to transactions which a listed company or any of its subsidiaries or associated companies (other than a subsidiary or an associated company that is itself listed on the SGX-ST or an approved exchange, or an associated company over which the listed group and/or its interested person(s) has no control) proposes to enter into with a counterparty who is an interested person of the listed company.

2. Terms used in Chapter 9 of the Listing Manual

"approved exchange"

An "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.

CORPORATE GOVERNANCE REPORT

OVERVIEW OF LISTING MANUAL REQUIREMENTS FOR INTERESTED PERSON TRANSACTIONS (CONT'D)

2. Terms used in Chapter 9 of the Listing Manual (cont'd)

"associate"

In relation to any director, chief executive officer, substantial or controlling shareholder (being an individual), an "associate" is defined to be an immediate family member (that is, spouse, child, adopted child, step-child, sibling and parent); the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and any company in which the individual and his immediate family together (directly or indirectly) have an interest of 30% or more.

In relation to a substantial shareholder or controlling shareholder (being a company), an "associate" is defined to be any other company which is a subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

"associated company"

A listed company's "associated company" is defined as a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.

"chief executive officer"

A "chief executive officer" is defined in the Listing Manual to mean the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed issuer.

"controlling shareholder"

A "controlling shareholder" of a listed company is a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the listed company, or a person who in fact exercises control over the listed company.

"interested person" means:

(a) a director, chief executive officer or controlling shareholder of the Company; or

(b) an associate of any such director, chief executive officer or controlling shareholder.

3. Materiality Thresholds, Disclosure Requirements and Shareholders' Approval

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated net tangible assets ("NTA")) are reached or exceeded.

Immediate Announcement

An immediate announcement is required where the interested person transaction is of a value equal to, or more than, 3% of the listed group's latest audited NTA. Where the aggregate value of all the transactions entered into with the same interested person during the same financial year amounts to 3% or more of the listed group's latest audited NTA, the issuer must make an announcement of the latest transaction and all future transactions entered into with the same interested person during that financial year.

OVERVIEW OF LISTING MANUAL REQUIREMENTS FOR INTERESTED PERSON TRANSACTIONS (CONT'D)

3. Materiality Thresholds, Disclosure Requirements and Shareholders' Approval (cont'd)

Shareholders' Approval

Shareholders' approval is required where the interested person transaction is of a value equal to or more than:

(a) 5% of the listed group's latest audited NTA; or

(b) 5% of the listed group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and for shareholders' approval do not apply to any transaction below S$100,000.

4. General Mandate

Part VIII of Chapter 9 of the Listing Manual permits a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations, but not in respect of the purchase or sale of assets, undertakings or businesses.

INTERESTED PERSON TRANSACTIONS

The aggregate value of IPTs entered into during the financial year ended 30 June 2011 pursuant to the IPT Mandate obtained under Chapter 9 of the 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	–	6,800
Antara Steel Mills Sdn Bhd	–	6,358
Megasteel Sdn Bhd	–	5,907

FINANCIAL CONTENTS

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 30 June 2011 and the balance sheet of the Company as at 30 June 2011.

Directors

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

Othman Wok
Loh Kgai Mun
Tan Sri Cheng Heng Jem (appointed on 7 September 2010)
Ying Yoke Kwai
Sam Chong Keen
Cheng Theng How
Lee Whay Keong (appointed on 7 September 2010)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" of this report.

Directors' interests in shares

(a) According to the register of directors' shareholdings, a director holding office at the end of the financial year had interests in the ordinary shares of the Company as set out below.

	Holdings in which a director is deemed to have an interest	
	At 30.6.2011	At 1.7.2010 or date of appointment, if later
The Company (No. of ordinary shares)		
Tan Sri Cheng Heng Jem	**279,167,260**	279,167,260

(b) According to the register of directors' shareholdings, a director holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the LAP Share Option Scheme as set out below and under "Share options" of this report.

	Number of unissued ordinary shares under option	
	At 30.6.2011	At 1.7.2010
Loh Kgai Mun		
2007 Options	**52,500**	52,500

(c) The director's interests in the options of the Company as at 21 July 2011 were the same as those as at 30 June 2011.

DIRECTORS' REPORT

For the financial year ended 30 June 2011

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit 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 accompanying financial statements and in this report, and except that a director has an employment relationship with the Company and has received remuneration in that capacity.

Share options

(a) LAP Share Option Scheme

The LAP Share Option Scheme (the "Scheme") was approved by the members of the Company at an Extraordinary General Meeting on 20 September 2000. Particulars of the Scheme were set out in the Circular to the members dated 28 August 2000. The Scheme expired on 20 September 2010.

The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for three market days immediately preceding the date of the grant or a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price and that the offer is approved by the Company's shareholders. The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price. The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 10% of the issued share capital of the Company on the day preceding that date.

On 29 November 2007, options on 525,000 unissued shares with an exercise price of $0.24 per ordinary share were granted to executives and directors of the Company pursuant to the Scheme ("2007 Options"). The 2007 Options are exercisable from 30 November 2008 and will expire on 29 November 2012, notwithstanding the expiration of the Scheme.

During the financial year, options for 60,000 shares of the Company were forfeited.

(b) Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the Scheme outstanding at the end of the financial year was as follows:

	Number of unissued ordinary shares under option at 30.6.2011	Exercise price	Exercise period
2007 Options	328,500	$0.24	30.11.2008 – 29.11.2012

(c) Other information required by the Singapore Exchange Securities Trading Limited ("SGX-ST")

Pursuant to Rule 852 of the Listing Manual of the SGX-ST, in addition to the information disclosed elsewhere in this report, the directors report that during the financial year:

(i) the Committee administering the Scheme comprises directors Othman Wok and Ying Yoke Kwai;

(ii) no options were granted to controlling shareholders, their employees or associates, and no employee under the Scheme has received 5% or more of the total options available under the Scheme; and

Share options (continued)

(c) Other information required by the Singapore Exchange Securities Trading Limited ("SGX-ST") (continued)

(iii) participants of the Scheme who are directors of the Company are as follows:

	Number of unissued ordinary shares of the Company under option			
Name of director	**Granted in financial year ended 30.6.2011**	**Aggregate granted since commencement of Scheme to 30.6.2011**	**Aggregate lapsed since commencement of Scheme to 30.6.2011**	**Aggregate outstanding as at 30.6.2011**
Loh Kgai Mun	–	84,250	(31,750)	52,500

(d) Except for the above, no options were granted by the Company or any subsidiary during the financial year and there were no other unissued shares under option at the end of the financial year.

(e) No options have been granted at a discount under the Scheme.

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Othman Wok (Chairman)
Ying Yoke Kwai
Cheng Theng How

All members of the Audit Committee were non-executive directors. Except for Mr Cheng Theng How, who is an executive director of Antara Steel Mills Sdn Bhd, a related party of the Group, all members were independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

(i) the scope and the results of internal audit procedures with the internal auditor;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the assistance given by the Company's management to the independent auditor; and

(iv) the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2011 before their submission to the Board of Directors, as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' REPORT

For the financial year ended 30 June 2011

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

LOH KGAI MUN
Director

CHENG THENG HOW
Director

Singapore
23 September 2011

STATEMENT BY DIRECTORS

For the financial year ended 30 June 2011

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 37 to 88 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 2011 and of the results of the business, changes in equity and cash flows 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.

On behalf of the directors

LOH KGAI MUN
Director

CHENG THENG HOW
Director

Singapore
23 September 2011

INDEPENDENT AUDITOR'S 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 37 to 88, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group 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 financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (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, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets 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 about 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 controls 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 controls. 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.

Opinion

In our opinion, the financial statements of the Group and the balance sheet 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 Company as at 30 June 2011, and the results, changes in equity and cash flows of the Group 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.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 23 September 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2011

	Note	2011 $'000	2010 $'000
Continuing operations			
Revenue – sale of goods		**23,710**	43,329
Other gains – net	4	**2,821**	87,598
Expenses			
- Purchases of inventories		**(16,237)**	(32,036)
- Employee compensation	5	**(1,620)**	(1,916)
- Depreciation		**(1,345)**	(1,374)
- Finance	6	**(17)**	(14)
- Other	7	**(3,369)**	(5,217)
Changes in inventories		**(4)**	(1,965)
Total expenses		**(22,592)**	(42,522)
Profit before income tax		**3,939**	88,405
Income tax expense	8	**(1,096)**	(13,624)
Profit from continuing operations		**2,843**	74,781
Discontinued operations			
Loss from discontinued operations		**(126)**	(271)
Total profit		**2,717**	74,510
Other comprehensive (loss)/income:			
Financial assets, available-for-sale			
- Fair value (losses)/gains		**(2,534)**	26,202
- Reclassification of fair value reserve to profit or loss on disposal		**–**	(71,722)
Currency translation differences arising from consolidation		**(3,777)**	265
Other comprehensive loss, net of tax		**(6,311)**	(45,255)
Total comprehensive (loss)/income		**(3,594)**	29,255
Profit attributable to:			
Equity holders of the Company		**2,839**	75,063
Non-controlling interests		**(122)**	(553)
		2,717	74,510
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(3,472)**	29,808
Non-controlling interests		**(122)**	(553)
		(3,594)	29,255

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2011

	Note	**2011** **$'000**	2010 $'000
Earnings per share for profit from continuing operations attributable to equity holders of the Company			
(expressed in cents per share)			
- Basic	10	**0.73**	18.58
- Diluted	10	**0.73**	18.58
Loss per share for profit from discontinued operations attributable to equity holders of the Company			
(expressed in cents per share)			
- Basic	10	**(0.03)**	(0.07)
- Diluted	10	**(0.03)**	(0.07)

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

BALANCE SHEETS

As at 30 June 2011

	Note	The Group 2011 $'000	The Group 2010 $'000	The Company 2011 $'000	The Company 2010 $'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**73,440**	125,342	**43,104**	93,581
Trade and other receivables	12	**13,035**	13,536	**56,113**	65,594
Inventories	13	**4,545**	2,210	**–**	–
Other current assets	14	**166**	185	**38**	29
		91,186	141,273	**99,255**	159,204
Disposal group classified as held-for-sale	9(c)	**44**	–	**–**	–
		91,230	141,273	**99,255**	159,204
Non-current assets					
Financial assets, available-for-sale	15	**6,776**	7,349	**–**	–
Investments in subsidiaries	17	**–**	–	**946**	946
Property, plant and equipment	18	**26,502**	19,754	**10**	11
		33,278	27,103	**956**	957
Total assets		**124,508**	168,376	**100,211**	160,161
LIABILITIES					
Current liabilities					
Trade and other payables	19	**6,038**	46,935	**454**	76,486
Current income tax liabilities	8(b)	**2,791**	2,603	**30**	1
Borrowings	20	**259**	36	**–**	–
		9,088	49,574	**484**	76,487
Liabilities directly associated with disposal group classified as held-for-sale	9(d)	**119**	–	**–**	–
		9,207	49,574	**484**	76,487
Non-current liabilities					
Borrowings	20	**–**	18	**–**	–
Deferred income tax liabilities	21	**2,469**	2,358	**551**	556
		2,469	2,376	**551**	556
Total liabilities		**11,676**	51,950	**1,035**	77,043
NET ASSETS		**112,832**	116,426	**99,176**	83,118
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	22	**47,494**	47,494	**47,494**	47,494
Other reserves	23	**6,300**	12,611	**13,543**	13,543
Retained profits	24	**57,422**	54,583	**38,139**	22,081
		111,216	114,688	**99,176**	83,118
Non-controlling interests		**1,616**	1,738	**–**	–
Total equity		**112,832**	116,426	**99,176**	83,118

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2011

		← Attributable to equity holders of the Company →											
	Note	Share capital $'000	Capital redemption reserve $'000	Fair value reserve $'000	Currency translation reserve $'000	General reserve $'000	Capital reduction reserve $'000	Capital reserve $'000	Consolidation reserve $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total Equity $'000
2011													
Beginning of financial year		47,494	105	(1,902)	(1,211)	–	13,543	2,112	(36)	54,583	114,688	1,738	116,426
Total comprehensive income for the year		–	–	(2,534)	(3,777)	–	–	–	–	2,839	(3,472)	(122)	(3,594)
End of financial year		**47,494**	**105**	**(4,436)**	**(4,988)**	**–**	**13,543**	**2,112**	**(36)**	**57,422**	**111,216**	**1,616**	**112,832**
2010													
Beginning of financial year		47,487	105	43,618	(1,476)	5,621	13,543	2,112	(36)	79,403	190,377	2,291	192,668
Total comprehensive income for the year		–	–	(45,520)	265	–	–	–	–	75,063	29,808	(553)	29,255
Dividends on ordinary shares	25	–	–	–	–	–	–	–	–	(105,436)	(105,436)	–	(105,436)
Purchase of additional equity interest in a subsidiary		–	–	–	–	–	–	–	–	(68)	(68)	–	(68)
Transfer from general reserve to retained profits on disposal of financial assets,available-for-sale	23(vi)	–	–	–	–	(5,621)	–	–	–	5,621	–	–	–
Share options exercised	22	7	–	–	–	–	–	–	–	–	7	–	7
End of financial year		**47,494**	**105**	**(1,902)**	**(1,211)**	**–**	**13,543**	**2,112**	**(36)**	**54,583**	**114,688**	**1,738**	**116,426**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2011

	Note	**2011** **$'000**	2010 $'000
Cash flows from operating activities			
Total profit		**2,717**	74,510
Adjustments for			
- Income tax expense		**1,096**	13,624
- Depreciation		**1,345**	1,374
- Finance expenses		**17**	14
- Interest income		**(1,971)**	(1,285)
- Waiver of non-trade receivables from related parties		**–**	929
- Gain/(Loss) on disposal of property, plant and equipment		**(5)**	31
- Gain on disposal of financial assets, available-for-sale		**–**	(88,477)
- Unrealised currency translation gains		**(33)**	(52)
		3,166	668
Change in working capital			
- Trade and other receivables		**1,482**	9,115
- Inventories		**(2,603)**	2,148
- Other current assets		**12**	22
- Trade and other payables		**(80)**	514
Cash generated from operations		**1,977**	12,467
Income tax paid		**(663)**	(12,872)
Net cash provided by/(used in) operating activities		**1,314**	(405)
Cash flows from investing activities			
Additions to property, plant and equipment		**(9,191)**	(804)
Purchase of financial assets, available-for-sale		**(1,961)**	(9,251)
Disposal of property, plant and equipment		**39**	2
Disposal of financial assets, available-for-sale		**–**	134,249
Interest received		**545**	1,414
Net cash (used in)/provided by investing activities		**(10,568)**	125,610
Cash flows from financing activities			
Purchases of additional equity interests in subsidiaries		**–**	(69)
Proceeds from issuance of ordinary shares upon exercise of share options		**–**	7
Proceeds from borrowings		**(571)**	488
Repayment of borrowings		**813**	(488)
Repayment of lease liabilities		**(37)**	(33)
Interest paid		**(17)**	(14)
Dividends paid to equity holders of the Company		**(40,552)**	(64,884)
Net cash used in financing activities		**(40,364)**	(64,993)
Net (decrease)/increase in cash and cash equivalents		**(49,618)**	60,212
Cash and cash equivalents at beginning of financial year		**125,342**	65,868
Effects of currency translation on cash and cash equivalents		**(2,284)**	(738)
Cash and cash equivalents at end of financial year	11	**73,440**	125,342

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Lion Asiapac Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 10 Arumugam Road, #10-00 Lion Building A, Singapore 409957.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries consist of investment holding as well as limestone processing, scrap metal trading and electronic component distribution.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2010

On 1 July 2010, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior years except as disclosed below:

- Amendment to FRS 7 Statement of Cash Flows (effective for annual periods beginning on or after 1 January 2010)

  Under the amendment, only expenditures that result in a recognised asset in the balance sheet can be classified as investing activities in the statement of cash flows. Previously, such expenditure could be classified as financing activities in the statement of cash flows.

  This change has been applied retrospectively. It had no material effect on the amounts presented in the statement of cash flows for the current or prior year.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods – electronic components, quicklime and scrap metal

Revenue from these sales is recognised when a Group entity has delivered the products to locations specified by its customers and the customers have accepted the products in accordance with the sales contract.

(b) Interest income

Interest income, including income arising from finance leases and other financial instruments, is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, 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 2011

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

(iii) Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

2. Significant accounting policies (continued)

2.4 Property, plant and equipment

(a) Measurement

Items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Construction-in-progress is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Buildings and infrastructure	20 years
Plant and machinery	1 – 15 years
Office equipment and vehicle	2.5 – 10 years
Furniture and fittings	3 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.5 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.6 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

2. Significant accounting policies (continued)

2.7 Impairment of non-financial assets

Property, plant and equipment
Investments in subsidiaries

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and 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 amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.8 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and financial assets, available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised after 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(ii) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is reclassified to profit or loss.

2. Significant accounting policies (continued)

2.8 Financial assets (continued)

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Financial assets, available-for-sale are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on financial assets, available-for-sale are recognised separately in income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Financial assets, available-for-sale

A significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

2. Significant accounting policies (continued)

2.9 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intragroup transactions are eliminated on consolidation.

2.10 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

2.11 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.12 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. Significant accounting policies (continued)

2.13 Leases

The Group leases certain property, plant and equipment from third parties and related parties.

(a) Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as buildings and infrastructure and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(b) Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.15 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

2. Significant accounting policies (continued)

2.15 Income taxes (continued)

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using the pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.17 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account when new ordinary shares are issued.

2. Significant accounting policies (continued)

2.18 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

Fair value adjustments arising on the acquisition of foreign operations on or after 1 July 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date. For acquisitions prior to 1 July 2005, the exchange rates at the dates of acquisition are used.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

2.20 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.21 Share capital

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

2. Significant accounting policies (continued)

2.22 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.23 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

2.24 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown as deductions in the related expenses.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group is subject to capital gains tax in The People's Republic of China on its disposal of assets held-for-sale. In determining the tax liabilities, management is required to estimate the amount of capital gains that is subject to tax ("uncertain tax position"). As management believes that the tax position adopted by the Group is sustainable, no additional tax liabilities have been recognised on the uncertain tax position. The maximum tax exposure, if any, arising from the uncertain tax position is approximately $805,000.

3. Critical accounting estimates, assumptions and judgements (continued)

(b) Impairment of investment in subsidiaries

The Group follows the guidance of FRS 36 - Impairment of Assets in determining the indication of impairment of investments in subsidiaries and the recoverable amount of the investments. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the market, economic or legal environment in which the subsidiaries operate, and the range of economic conditions that will exist over the remaining duration of the investments which have an impact on the future cash flow projections.

(c) Impairment of financial assets, available-for-sale

The Group follows the guidance of FRS 39 – Financial Instruments: Recognition and Measurement in determining when an available-for-sale financial asset is considered impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost and the financial health of and the near-term business outlook of the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. Information on financial assets, available-for-sale is disclosed in Note 15.

(d) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management assesses historical payment patterns by the relevant debtors and the projected receipts from those debtors over the next 12 months from balance sheet date.

As at 23 September 2011, the date of authorisation for issuance of these financial statements, the carrying amount of loans and receivables that was subject to significant estimation risks of recoverability was $4,334,000 relating to receivables from related parties, for which management has assessed that no allowance for impairment was required.

This amount included $3,844,000 for which a repayment schedule has been established with the relevant related party for the outstanding amount to be repaid in four equal instalments between 31 January 2012 and 30 April 2012. The holding company of this related party, also a common shareholder of the Group, has undertaken to repay these amounts should the said related party default on this repayment schedule.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

4. Other gains - net

	The Group	
	2011	2010
	$'000	$'000
Financial assets, available-for-sale		
- gain on disposal	**–**	16,755
- reclassification from equity on disposal [Note 23(iii)]	**–**	71,722
	–	88,477
Waiver of non-trade receivable from related parties (Note 29)		
- shortfall on minimum purchases	**–**	(410)
- interest income	**–**	(519)
	–	(929)
Interest income		
- bank deposits	**452**	592
- amounts due from related and third parties	**1,519**	693
	1,971	1,285
Currency exchange losses – net	**(874)**	(1,847)
Management fee income	**153**	135
Penalties received from related parties for shortfall on minimum purchases (Note 29)	**1,384**	71
Others	**187**	406
	2,821	87,598

5. Employee compensation

	The Group	
	2011	2010
	$'000	$'000
Wages and salaries	**1,421**	1,770
Employer's contribution to defined contribution plans including Central Provident Fund	**152**	156
Other benefits	**47**	29
Less: Government Grant - Jobs credit scheme	**–**	(39)
	1,620	1,916

The Jobs Credit Scheme is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs in the economic downturn. The amount an employer can receive depends on the fulfilment of certain conditions under the scheme.

6. Finance expenses

	The Group	
	2011	2010
	$'000	$'000
Interest expense		
- bank borrowings	**8**	5
- finance lease liabilities	**9**	9
	17	14

7. Other expenses

	The Group	
	2011	2010
	$'000	$'000
Included in other expenses are the following:		
Impairment loss on trade receivables	**479**	–
Bad trade debts written off	**–**	241
General expenses	**45**	68
Insurance	**118**	100
Maintenance expenses	**178**	351
Material handling	**260**	329
Professional fees	**118**	1,340
Rental on operating leases	**315**	405
Telecommunication expenses	**15**	32
Utilities	**826**	1,065

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

8. Income taxes

(a) Income tax expense

	The Group	
	2011	2010
	$'000	$'000
Tax expense attributable to profit is made up of:		
- Profit from current financial year:		
From continuing operations		
Current income tax		
- Singapore	**125**	–
- Foreign	**719**	12,868
	844	12,868
Deferred income tax (Note 21)	**430**	829
	1,274	13,697
- Under/(over) provision in prior financial years:		
From continuing operations		
Current income tax	**35**	(68)
Deferred income tax (Note 21)	**(213)**	(5)
	(178)	(73)
Tax expense attributable to continuing operations	**1,096**	13,624

The tax expense on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2011	2010
	$'000	$'000
Profit before tax from		
- continuing operations	**3,939**	88,405
- discontinued operations (Note 9)	**(126)**	(271)
	3,813	88,134
Tax calculated at tax rate of 17% (2010: 17%)	**648**	14,983
Effects of		
- different tax rates in other countries	**137**	(2,104)
- income not subject to tax	**(102)**	(419)
- expenses not deductible for tax purposes	**874**	1,160
- deferred tax asset not recognised	**–**	209
- utilisation of previously unrecognised tax losses	**(287)**	(144)
- other	**4**	12
Tax charge	**1,274**	13,697

8. Income taxes (continued)

(b) Movement in current income tax liabilities

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**2,603**	2,670	**1**	9
Income tax (paid)/refund received	**(663)**	(12,872)	**(95)**	39
Tax expense	**844**	12,868	**124**	–
Under/(Over) provision in prior financial years	**35**	(68)	**–**	(33)
Tax recoverable	**(17)**	5	**–**	(14)
Currency translation differences	**(11)**	–	**–**	–
End of financial year	**2,791**	2,603	**30**	1

9. Disposal Group classified as held for sale

Following the approval of the Group's board of directors on 18 April 2011 to sell its entire 54.23% interest in Advent Infotech Pvt Ltd ("AIT") in India (comprising the Group's electronics business in India), all the assets and liabilities related to AIT are classified as a disposal group held-for-sale on the balance sheet. The entire results from AIT are presented separately on the statement of comprehensive income as "Discontinued operations". The transaction was completed on 13 July 2011.

(a) The results of the discontinued operations and the re-measurement of the disposal group are as follows:

	The Group	
	2011	2010
	$'000	$'000
Revenue	**80**	443
Expenses	**(206)**	(714)
Total loss from discontinued operations	**(126)**	(271)
Profit attributable to equity holders of the Company relates to:		
- Profit from continuing operations	**2,965**	75,334
- Loss from discontinued operations	**(126)**	(271)
	2,839	75,063

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

9. Disposal Group classified as held for sale (continued)

(b) The impact of the discontinued operations on the cash flows of the Group is as follows:

	The Group	
	2011	2010
	$'000	$'000
Operating cash (outflows)/inflows	**(11)**	15
Investing cash (outflows)/inflows	**(4)**	1
Total cash (outflows)/inflows	**(15)**	16

(c) Details of the assets in disposal group classified as held-for-sale are as follows:

	The Group
	2011
	$'000
Trade and other receivables	**44**

(d) Details of the liabilities directly associated with disposal group classified as held-for-sale are as follows:

	The Group
	2011
	$'000
Trade and other payables	**82**
Other current liabilities	**37**
	119

(e) Total comprehensive (loss)/income attributable to the equity holders of the Company related to:

	The Group	
	2011	2010
	$'000	$'000
Continuing operations	**(3,346)**	30,079
Discontinued operations	**(126)**	(271)
	(3,472)	29,808

10. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Continuing operations		Discontinued operations		Total	
	2011	2010	**2011**	2010	**2011**	2010
Net profit/(loss) attributable to equity holders of the Company ($'000)	**2,965**	75,334	**(126)**	(271)	**2,839**	75,063
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**405,523**	405,523	**405,523**	405,523	**405,523**	405,523
Basic earnings/(loss) per share (cents per share)	**0.73**	18.58	**(0.03)**	(0.07)	**0.70**	18.51

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The dilutive potential ordinary shares are ordinary shares which arise from the assumed exercise of share options.

The weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

Diluted earnings per share for continuing operations and discontinued operations attributable to equity holders of the Company is calculated as follows:

	Continuing operations		Discontinued operations		Total	
	2011	2010	**2011**	2010	**2011**	2010
Net profit/(loss) attributable to equity holders of the Company ($'000)	**2,965**	75,334	**(126)**	(271)	**2,839**	75,063
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**405,523**	405,523	**405,523**	405,523	**405,523**	405,523
Adjustment for share options ('000)	**–**	87	**–**	87	**–**	87
	405,523	405,610	**405,523**	405,610	**405,523**	405,610
Diluted earnings/(loss) per share (cents per share)	**0.73**	18.58	**(0.03)**	(0.07)	**0.70**	18.51

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

11. Cash and cash equivalents

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**4,049**	6,245	**590**	3,264
Short-term bank deposits	**69,391**	119,097	**42,514**	90,317
	73,440	125,342	**43,104**	93,581

12. Trade and other receivables - current

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Related parties (Note 29)	**12,180**	12,522	**–**	–
- Third parties	**986**	1,138	**–**	–
	13,166	13,660	**–**	–
Less: Allowance for impairment of receivables – third parties	**(216)**	(311)	**–**	–
Trade receivables – net	**12,950**	13,349	**–**	–
Non-trade receivables				
- Subsidiaries	**–**	–	**20,660**	39,637
- Related parties (Note 29)	**73**	103	**59**	29
- Third parties	**3,143**	2,617	**1**	7
	3,216	2,720	**20,720**	39,673
Less: Allowance for impairment of receivables – third parties	**(3,131)**	(2,533)	**–**	–
Non-trade receivables – net	**85**	187	**20,720**	39,673
Loans to subsidiaries	**–**	–	**40,888**	38,853
Less: Allowance for impairment of loan to subsidiaries	**–**	–	**(5,495)**	(12,932)
Loans to subsidiaries – net	**–**	–	**35,393**	25,921
	13,035	13,536	**56,113**	65,594

Non-trade receivables from subsidiaries, related parties (Note 29) and loans to subsidiaries are unsecured, interest-free and repayable on demand, with the exception of a loan to a subsidiary that bears interest at 8.25% per annum.

13. Inventories

	The Group	
	2011	2010
	$'000	$'000
Raw materials and consumables	**4,235**	1,865
Finished goods	**310**	345
	4,545	2,210

Write-down of inventories amounting to $Nil (2010: $344,000) has been included in "purchases of inventories" in the profit or loss. During the current financial year, the Group has recognised a reversal of $333,000 (2010: $519,000), being part of an inventory write-down made in previous financial years, as the inventories were sold above the carrying amounts in the financial year ended 30 June 2011.

14. Other current assets

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Tax recoverable	**–**	17	**–**	–
Deposits	**41**	66	**30**	28
Prepayments	**125**	102	**8**	1
	166	185	**38**	29

15. Financial assets, available-for-sale

	The Group	
	2011	2010
	$'000	$'000
Beginning of financial year	**7,349**	98,447
Additions	**1,961**	9,251
Fair value (losses)/gains recognised in other comprehensive income [Note 23(iii)]	**(2,534)**	17,144
Disposals	**–**	(117,493)
End of financial year	**6,776**	7,349

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For the financial year ended 30 June 2011

15. Financial assets, available-for-sale (continued)

Financial assets, available-for-sale are analysed as follows:

	The Group	
	2011	2010
	$'000	$'000
Listed securities		
– Australia [Note (a) below]	**6,776**	7,349
Unlisted securities		
– United States of America [Note (b) below]	**–**	–
– Singapore [Note (c) below]	**–**	–
	6,776	7,349

(a) The quoted investment of $6,776,000 (2010: $7,349,000) represents 12.12% (2010: 10.30%) equity interest held by the Group in Mindax Limited ("Mindax") as at 30 June 2011.

In the financial year ended 30 June 2011, the Group acquired an additional 1.82% equity interest in Mindax, for a total cash consideration of $1,961,000. The Group's equity interests in Mindax as at balance sheet date amounted to 12.12% (2010: 10.30%). The Group has recognised a fair value loss of $2,534,000 against this investment during the year.

(b) The unquoted investment with a carrying amount of $Nil (2010: $Nil) is made up of 26,000 ordinary shares at US$0.50 each in Visioneering Inc. ("Visioneering"), a company incorporated in the United States of America. The Group holds an equity interest of less than 1% in Visioneering as at 30 June 2011. In the current financial year, the Group recognised impairment losses of $Nil (2010: $396) against this investment. There has been no change in equity interest held by the Group in Visioneering from 1 July 2010 to 30 June 2011.

(c) This unquoted investment relates to a company incorporated in Singapore. There has been no change in the carrying amount of the unquoted investment from 1 July 2010 to 30 June 2011.

16. Other receivables - non-current

	The Company	
	2011	2010
	$'000	$'000
Advance to a subsidiary	**39,735**	39,735
Less: Allowance for impairment of advance to a subsidiary	**(39,735)**	(39,735)
	–	–

Advance to a subsidiary is unsecured, interest-free and repayments are not expected within the next 12 months. At the balance sheet date, the carrying amounts of non-current other receivables approximated their fair values.

17. Investments in subsidiaries

	The Company 2011 $'000	2010 $'000
Equity investments at cost	**52,442**	52,442
Less: Allowance for impairment losses	**(51,496)**	(51,496)
	946	946

Details of subsidiaries are provided as follows:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2011 %	2010 %
Held directly by the Company:				
Bright Steel Pte Ltd (1)	Investment holding	Singapore	**100**	100
Ternair Jaya Sdn. Bhd. (2)	Investment holding	Malaysia	**100**	100
Arbon Investment Pte Ltd (4)	Investment holding	Singapore	**100**	100
Aarau Investment Pte Ltd (4)	Investment holding	Singapore	**100**	100
Grenchen Investment Pte Ltd (4)	Investment holding	Singapore	**100**	100
Kloten Investment Pte Ltd (4)	Investment holding	Singapore	**100**	100
LAP Trading & Marketing Pte Ltd (1)	Trading of scrap metal	Singapore	**100**	100
AE Technol Pte Ltd (1) (6)	Distribution of semiconductors and related components	Singapore	**54**	54
Angkasa Transport Equipment Sdn. Bhd. (4)	Investment holding	Malaysia	**100**	100
Clarington Investment Pte Ltd (4)	Investment holding	Singapore	**100**	100
Halton Investment Pte Ltd (1)	Investment holding	Singapore	**100**	100
LAP Investment Pte Ltd (1)	Investment holding	Singapore	**100**	100
Lion Asiapac Management Consultancy (Shanghai) Co., Ltd (3)	Management consultancy	The People's Republic of China	**100**	100
LAP Exploration Pte Ltd (1)	Investment holding	Singapore	**100**	100
LAP Development Pte Ltd (5)	Investment holding	Singapore	**100**	100

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For the financial year ended 30 June 2011

17. Investments in subsidiaries (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2011	2010
Held directly by subsidiaries:			**%**	%
Lion Containers Sdn. Bhd. (2)	Manufacture and sale of dry cargo containers (ceased operations during the financial year ended 30 June 2000)	Malaysia	**100**	100
Advent Electronics (M) Sdn. Bhd. (4)	Design-in and distribution of semiconductors and related components	Malaysia	**100**	100
Advent Infotech Private Limited (3)	Trading and distribution of semiconductors and related components	India	**100**	100
Compact Energy Sdn. Bhd. (2)	Limestone processing	Malaysia	**100**	100

(1) Audited by PricewaterhouseCoopers LLP, Singapore.

(2) Audited by PricewaterhouseCoopers LLP, Malaysia.

(3) Audited by other firms. These companies are not significant subsidiaries as defined under Rule 718 of the SGX-ST Listing Manual.

(4) Not required to be audited as subsidiaries are in the process of being deregistered.

(5) Not required to be audited under the laws of the country of incorporation.

(6) Ceased operations during the financial year ended 30 June 2011.

18. Property, plant and equipment

	Buildings and infrastructure $'000	Plant and machinery $'000	Office equipment and vehicle $'000	Furniture and fittings $'000	Construction-in-progress $'000	Total $'000
The Group						
2011						
Cost						
Beginning of financial year	424	17,953	596	169	5,778	24,920
Currency translation differences	(25)	(1,000)	(8)	(2)	(321)	(1,356)
Additions	73	3,607	13	15	5,483	9,191
Reclassified to disposal group	–	–	(40)	(19)	–	(59)
Disposals		(62)	(13)	–	–	(75)
End of financial year	472	20,498	548	163	10,940	32,621
Accumulated depreciation						
Beginning of financial year	68	4,437	526	135	–	5,166
Currency translation differences	(5)	(281)	(6)	–	–	(292)
Reclassified to disposal group	–	–	(39)	(15)	–	(54)
Depreciation charge						
- Continuing operations	21	1,287	31	6	–	1,345
Disposals	–	(33)	(13)	–	–	(46)
End of financial year	84	5,410	499	126	–	6,119
Net book value						
End of financial year	**388**	**15,088**	**49**	**37**	**10,940**	**26,502**
2010						
Cost						
Beginning of financial year	405	17,123	797	245	4,811	23,381
Currency translation differences	19	789	6	1	221	1,036
Additions	–	–	12	5	790	807
Adjustment	–	41	–	–	(44)	(3)
Disposals	–	–	(219)	(82)	–	(301)
End of financial year	424	17,953	596	169	5,778	24,920
Accumulated depreciation						
Beginning of financial year	45	2,958	698	167	–	3,868
Currency translation differences	3	182	3	–	–	188
Depreciation charge						
- Continuing operations	20	1,297	39	18	–	1,374
- Discontinued operations	–	–	3	1	–	4
Disposals	–	–	(217)	(51)	–	(268)
End of financial year	68	4,437	526	135	–	5,166
Net book value						
End of financial year	**356**	**13,516**	**70**	**34**	**5,778**	**19,754**

The carrying amount of buildings held under finance lease at 30 June 2011 amounted to $132,000 (2010: $149,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

18. Property, plant and equipment (continued)

	Office equipment and vehicle $'000	Furniture and fittings $'000	Total $'000
The Company			
2011			
Cost			
Beginning of financial year	402	113	515
Additions	6	–	6
Disposals	(13)	–	(13)
End of financial year	395	113	508
Accumulated depreciation			
Beginning of financial year	394	110	504
Depreciation charge	4	2	6
Disposals	(12)	–	(12)
End of financial year	386	112	498
Net book value			
End of financial year	**9**	**1**	**10**
2010			
Cost			
Beginning of financial year	399	110	509
Additions	5	3	8
Disposals	(2)	–	(2)
End of financial year	402	113	515
Accumulated depreciation			
Beginning of financial year	392	108	500
Depreciation charge	4	2	6
Disposals	(2)	–	(2)
End of financial year	394	110	504
Net book value			
End of financial year	**8**	**3**	**11**

19. Trade and other payables

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Trade payables – third parties	**3,952**	4,980	**–**	–
Non-trade payables to:				
- Subsidiaries	**–**	–	**–**	35,537
- Related parties (Note 29)	**174**	192	**–**	–
- Third parties	**806**	299	**177**	52
	980	491	**177**	35,589
Dividend payable (Note 25)	**–**	40,552	**–**	40,552
Accrual for operating expenses	**1,106**	912	**277**	345
	6,038	46,935	**454**	76,486

The non-trade payables to subsidiaries and related parties (Note 29) are unsecured, interest-free and repayable on demand.

20. Borrowings

	The Group	
	2011	2010
	$'000	$'000
<u>Current</u>		
Bank borrowings	**242**	–
Financial lease liabilities	**17**	36
	259	36
<u>Non Current</u>		
Financial lease liabilities	**–**	18
Total borrowings	**259**	54

The Group leases building and infrastructure from related parties (Note 29) under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	The Group	
	2011	2010
	$'000	$'000
Minimum lease payments due		
- Not later than one year	**21**	45
- Between one and five years	**–**	23
	21	68
Less: Future finance charges	**(4)**	(14)
Present value of finance lease liabilities	**17**	54

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

20. Borrowings (continued)

The present value of finance lease liabilities is analysed as follows:

	The Group	
	2011	2010
	$'000	$'000
Not later than one year	**17**	36
Between one and five years	**–**	18
	17	54

(i) Security granted

Finance lease liabilities of the Group are secured over the leased assets, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

(ii) Fair values of finance lease liabilities

The fair values of finance lease liabilities are determined from a discounted cash flow analysis, using a discount rate based on the borrowing rate which the directors expect would be available to the Group at the balance sheet date.

At the balance sheet date, the carrying amounts of finance lease liabilities approximated their fair values.

21. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities				
- to be settled within one year	**379**	–	**379**	–
- to be settled after one year	**2,090**	2,358	**172**	556
	2,469	2,358	**551**	556

Movement in deferred income tax account is as follows:

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**2,358**	10,519	**556**	386
Currency translation differences	**(106)**	73	**–**	–
Charged/(credited) to				
- profit or loss (Note 8)	**217**	824	**(5)**	170
- equity [Note 23(iii)]	**–**	(9,058)	**–**	–
End of financial year	**2,469**	2,358	**551**	556

21. Deferred income taxes (continued)

Deferred income tax credited to equity [Note 23(iii)] is as follows:

	The Group	
	2011	2010
	$'000	$'000
Fair value reserve	**–**	(9,058)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $16,633,000 (2010: $18,687,000) and capital allowances of $5,877,000 (2010: $10,469,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

The Group

Deferred income tax liabilities

	Accelerated tax depreciation	**Fair value gains**	**Foreign income not remitted**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
2011				
Beginning of financial year	**1,823**	**–**	**556**	**2,379**
Currency translation differences	**(114)**	**–**	**–**	**(114)**
Charged to profit or loss	**483**	**–**	**(5)**	**478**
End of financial year	**2,192**	**–**	**551**	**2,743**
2010				
Beginning of financial year	1,429	9,058	386	10,873
Currency translation differences	81	–	–	81
Charged/(credited) to				
- profit or loss	313	–	170	483
- equity	–	(9,058)	–	(9,058)
End of financial year	1,823	–	556	2,379

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

21. Deferred income taxes (continued)

Deferred income tax assets

	Provision $'000	Unrealised foreign exchange losses $'000	Total $'000
2011			
Beginning of financial year	**(6)**	**(15)**	**(21)**
Currency translation difference	**–**	**8**	**8**
Charged/(credited) to profit or loss	**6**	**(267)**	**(261)**
End of financial year	**–**	**(274)**	**(274)**
2010			
Beginning of financial year	(15)	(339)	(354)
Currency translation differences	–	(8)	(8)
Charged to profit or loss	9	332	341
End of financial year	(6)	(15)	(21)

The Company

Deferred income tax liabilities

	Foreign income not remitted $'000
2011	
Beginning of financial year	**556**
Credited to profit or loss	**(5)**
End of financial year	**551**
2010	
Beginning of financial year	386
Charged to profit or loss	170
End of financial year	556

Deferred income tax liabilities of $511,000 (2010: $498,000) have not been recognised for the withholding and other taxes that will be payable on the earnings of an overseas subsidiary when remitted to the holding company. These unremitted earnings are permanently reinvested and amounted to $3,007,000 (2010: $2,928,000) at the balance sheet date.

22. Share capital

	No. of issued ordinary shares '000	Amount $'000
The Group and Company		
2011		
Beginning and end of financial year	**405,523**	**47,494**
2010		
Beginning of financial year	405,488	47,487
Share issue	35	–
Share option exercised		
- Cash consideration, net of expense	–	7
End of financial year	405,523	47,494

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Share options

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

The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares on the Singapore Exchange for three market days immediately preceding the date of grant ("Market Price") or a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price and that the offer is approved by the Company's shareholders.

The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movement in the number of unissued ordinary shares under option and their exercise prices are as follows:

	← No. of unissued ordinary shares under option →					
The Group and Company	**Beginning of financial year**	**Exercised during financial year**	**Lapsed/ forfeited during financial year**	**End of financial year**	**Exercise price**	**Exercise period**
2011						
2007 Options	388,500	–	(60,000)	328,500	$0.24	30.11.2008 – 29.11.2012
2010						
2005 Options	30,000	(11,000)	(19,000)	–	$0.16	27.5.2006 – 26.5.2010
2007 Options	412,500	(24,000)	–	388,500	$0.24	30.11.2008 – 29.11.2012
	442,500	(35,000)	(19,000)	388,500		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

23. Other reserves

Composition:

	The Group		The Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Capital reduction reserve	**13,543**	13,543	**13,543**	13,543
Capital redemption reserve	**105**	105	**–**	–
Fair value reserve	**(4,436)**	(1,902)	**–**	–
Currency translation reserve	**(4,988)**	(1,211)	**–**	–
Consolidation reserve	**(36)**	(36)	**–**	–
Capital reserve	**2,112**	2,112	**–**	–
	6,300	12,611	**13,543**	13,543

Movements:

	The Group and Company	
	2011	2010
	$'000	$'000
(i) Capital reduction reserve *[Note (a) below]*		
Beginning and end of financial year	**13,543**	13,543

	The Group	
	2011	2010
	$'000	$'000
(ii) Capital redemption reserve *[Note (b) below]*		
Beginning and end of financial year	**105**	105
(iii) Fair value reserve *[Note (c) below]*		
Beginning of financial year	**(1,902)**	43,618
Financial assets, available-for-sale		
- fair value (losses)/gains (Note 15)	**(2,534)**	17,144
- deferred tax on fair value gains (Note 21)	**–**	9,058
	(2,534)	26,202
Reclassification to profit or loss on disposal of financial assets, available-for-sale (Note 4)	**–**	(71,722)
End of financial year	**(4,436)**	(1,902)
(iv) Currency translation reserve *[Note (d) below]*		
Beginning of financial year	**(1,211)**	(1,476)
Net currency translation differences of financial statements of foreign subsidiaries	**(3,777)**	265
End of financial year	**(4,988)**	(1,211)

23. Other reserves (continued)

Movements: (continued)

		The Group	
		2011	2010
		$'000	$'000
(v)	***Consolidation reserve*** *[Note (e) below]*		
	Beginning and end of financial year	**(36)**	(36)
(vi)	***General reserve*** *[Note (f) below]*		
	Beginning of financial year	**–**	5,621
	Transfer to retained profits on disposal of financial assets, available-for-sale	**–**	(5,621)
	End of financial year	**–**	–
(vii)	***Capital reserve*** *[Note (g) 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 such write off is taken directly to the capital reduction reserve.

(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 cumulative fair value changes of financial assets, available-for-sale 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 consolidation reserve arose from acquisition of interests in subsidiaries.

(f) The general reserve are maintained by companies held as available-for-sale financial assets in accordance with the accounting regulations in The People's Republic of China and are not available for the payment of cash dividends. The amounts shown represent the Group's share of the reserves.

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

Other reserves are non-distributable.

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For the financial year ended 30 June 2011

24. Retained profits

Movement in retained profits for the Company is as follows:

	The Company	
	2011	2010
	$'000	$'000
Beginning of financial year	**22,081**	35,195
Net profit	**16,058**	92,322
Dividends paid (Note 25)	**–**	(105,436)
End of financial year	**38,139**	22,081

25. Dividends

	The Group and Company	
	2011	2010
	$'000	$'000
Ordinary dividends paid (Note 24)		
First and Final exempt (one-tier) dividend paid in financial year 2010 in respect of the financial year ended 30 June 2009 of 1.0 cent per share	**–**	4,055
Special interim exempt (one-tier) dividend paid in financial year 2010 in respect of the financial year ended 30 June 2010 of 15.0 cents per share	**–**	60,829
Second interim exempt (one-tier) dividend paid in financial year 2011 in respect of the financial year ended 30 June 2010 of 10.0 cents per share	**–**	40,552
	–	105,436

At the Annual General Meeting on 27 October 2011, a final exempt (one-tier) ordinary dividend of 0.5 cent per share amounting to a total of $2,028,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profit in the financial year ending 30 June 2012.

26. Commitments

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	The Group	
	2011	2010
	$'000	$'000
Property, plant and equipment	**1,713**	2,359

26. Commitments (continued)

(b) Operating lease commitments

The Group leases land, office space and office equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewals rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	The Group	
	2011	2010
	$'000	$'000
Not later than one year	**184**	94
Between one and five years	**310**	327
Later than five years	**1,701**	1,801
	2,195	2,222

27. Contingent liabilities

The Company issued unsecured guarantees to banks and suppliers in respect of trade obligations of certain subsidiaries amounting to $2,984,000 (2010: $3,316,000) at the balance sheet date.

The Company has also issued letters of financial support to certain subsidiaries so as to enable them to operate as going concerns for the foreseeable future and to meet their liabilities as and when they fall due within the next 12 months. The directors are of the view that no material liabilities will arise from the above.

28. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group, and management is responsible for the overall financial risk management.

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore and Malaysia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), United States Dollar ("USD"), Chinese Renminbi ("RMB"), Malaysia Ringgit ("MYR") and Australia Dollar ("AUD").

The Group is exposed to currency translation risk on the net assets in foreign operations in Malaysia and The People's Republic of China. These currency exposures are monitored on a regular basis.

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For the financial year ended 30 June 2011

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	USD $'000	RMB $'000	MYR $'000	Other $'000	Total $'000
At 30 June 2011						
Financial assets						
Cash and cash equivalents	45,553	1,243	24,802	1,837	5	73,440
Trade and other receivables	1,117	–	–	11,918	–	13,035
Inter-company balances	33,912	4,337	10,711	39,735	12,589	101,284
Other financial assets	41	–	–	–	–	41
	80,623	5,580	35,513	53,490	12,594	187,800
Financial liabilities						
Borrowings	–	–	–	259	–	259
Trade and other payables	502	–	(1)	5,537	–	6,038
Inter-company balances	33,912	4,337	10,711	39,735	12,589	101,284
	34,414	4,337	10,710	45,531	12,589	107,581
Net financial assets	46,209	1,243	24,803	7,959	5	80,219
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	**(22,778)**	**1,243**	**10,720**	**–**	**–**	**(10,815)**
At 30 June 2010						
Financial assets						
Cash and cash equivalents	96,078	1,074	26,625	1,543	22	125,342
Trade and other receivables	6,189	307	–	6,981	59	13,536
Inter-company balances	148,814	21,778	25,422	7,687	9,562	213,263
Other financial assets	33	–	–	32	18	83
	251,114	23,159	52,047	16,243	9,661	352,224
Financial liabilities						
Borrowings	–	–	–	54	–	54
Trade and other payables	44,215	127	28	2,494	71	46,935
Inter-company balances	148,814	21,778	25,422	7,687	9,562	213,263
	193,029	21,905	25,450	10,235	9,633	260,252
Net financial assets	58,085	1,254	26,597	6,008	28	91,972
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	**(12,918)**	**1,254**	**11,598**	**–**	**–**	**(66)**

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD $'000	USD $'000	RMB $'000	AUD $'000	Total $'000
At 30 June 2011					
Financial assets					
Cash and cash equivalents	43,065	39	–	–	43,104
Trade and other receivables	28,477	4,337	10,711	12,588	56,113
Other financial assets	38	–	–	–	38
	71,580	4,376	10,711	12,588	99,255
Financial liabilities					
Trade and other payables	454	–	–	–	454
Net financial assets	71,126	4,376	10,711	12,588	98,801
Currency exposure of financial assets net of those denominated in the entity's functional currencies	**–**	**4,376**	**10,711**	**12,588**	**27,675**
As at 30 June 2010					
Financial assets					
Cash and cash equivalents	93,536	45	–	–	93,581
Trade and other receivables	41,867	4,848	9,317	9,562	65,594
Other financial assets	28	–	–	–	28
	135,431	4,893	9,317	9,562	159,203
Financial liabilities					
Trade and other payables	76,486	–	–	–	76,486
Net financial assets	58,945	4,893	9,317	9,562	82,717
Currency exposure on financial assets net of those denominated in the entity's functional currencies	**–**	**4,893**	**9,317**	**9,562**	**23,772**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

28. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk (continued)*

If the USD, RMB, MYR and AUD change against the SGD by 8% (2010: 4%), 5% (2010: 4%), 0.48% (2010: 0.02%) and 3% (2010: 14%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit after tax	
	2011	2010
	$'000	$'000
The Group		
USD against SGD		
- strengthened	**83**	42
- weakened	**(83)**	(42)
RMB against SGD		
- strengthened	**445**	385
- weakened	**(445)**	(385)
MYR against SGD		
- strengthened	**90**	2
- weakened	**(90)**	(2)
The Company		
USD against SGD		
- strengthened	**290**	162
- weakened	**(290)**	(162)
RMB against SGD		
- strengthened	**445**	309
- weakened	**(445)**	(309)
AUD against SGD		
- strengthened	**313**	1,111
- weakened	**(313)**	(1,111)

28. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified on the consolidated balance sheet as financial assets, available-for-sale. Equity securities held by the Group as at balance sheet date are listed in Australia. The Group is not exposed to commodity price risk. Changes in the share price of the quoted investments are monitored on a regular basis.

If prices for equity securities listed in Australia change by 15% (2010: 21%) with all other variables including tax rate being held constant, the effects on equity will increase/decrease by $1,016,000 (2010: $1,543,000) as a result of an increase/decrease in the fair value of equity investment classified as financial assets, available-for-sale.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest-bearing assets, comprising short-term bank deposits, are denominated mainly in SGD and RMB. These assets are exposed to cash flow interest rate risk.

If the SGD and RMB interest rates increase/decrease by 0.05% and 0.51% respectively (2010: 0.13% and 0.65%) with all other variables including tax rate being held constant, the profit after tax would have been higher/lower by $17,000 and $92,000 respectively (2010: $101,000 and $124,000) as a result of higher/lower interest income.

The weighted average effective interest rate of finance lease liabilities was 8.25% (2010: 8.25%) at the balance sheet date.

The exposure of finance lease liabilities of the Group to interest rate risks categorised by the earlier of contractual repricing or maturity dates is as follows:

	Less than 6 months	**6 to 12 months**	**1 to 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
The Group				
At 30 June 2011				
Finance lease liabilities	**17**	**–**	**–**	**17**
At 30 June 2010				
Finance lease liabilities	18	18	18	54

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

28. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the respective entity's management and by the Group based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management. As at 30 June 2011, 92% (2010: 94%) of total trade receivables of the Group was made up of 3 (2010: 3) related parties (Note 29).

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except for the corporate guarantees disclosed in Note 27.

The credit risk for trade receivables based on the information provided to key management is as follows:

	The Group	
	2011	2010
	$'000	$'000
By operating segments		
Electronic component distribution	**18**	378
Limestone processing	**11,896**	6,902
Scrap metal trading	**1,036**	6,069
	12,950	13,349

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with reputable banks. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Group	
	2011	2010
	$'000	$'000
Past due 0 to 6 months	**6,594**	2,692
Past due over 6 months	**1,297**	5
	7,891	2,697

28. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired (continued)

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	The Group	
	2011	2010
	$'000	$'000
Gross amount	**234**	322
Less: Allowance for impairment	**(216)**	(257)
	18	65
Beginning of financial year	**257**	39
Allowance utilised	**(41)**	(39)
Allowance made	**–**	257
End of financial year	**216**	257

The impaired trade receivables arose mainly from sales of goods to customers who are in financial difficulties.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk include cash and short-term deposits as disclosed in Note 11.

The table below analyses financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year	**Between 1 and 2 years**
	$'000	**$'000**
The Group		
At 30 June 2011		
Trade and other payables	**6,038**	**–**
Borrowings	**259**	**–**
	6,297	**–**
At 30 June 2010		
Trade and other payables	46,935	–
Borrowings	36	18
	46,971	18

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

28. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year $'000	Between 1 and 2 years $'000
The Company		
At 30 June 2011		
Trade and other payables	**454**	**–**
At 30 June 2010		
Trade and other payables	76,486	–

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group's and the Company's strategies in monitoring their capital are to maintain gearing ratios not exceeding 20%.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	The Group		The Company	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
Net debt	**–**	–	**–**	–
Total equity	**112,832**	116,426	**99,176**	83,118
Total capital	**112,832**	116,426	**99,176**	83,118
Gearing ratio	**–**	–	**–**	–

The Group and the Company are not subjected to externally imposed capital requirements for the financial years ended 30 June 2010 and 2011.

28. Financial risk management (continued)

(e) Fair value measurements

The following table presents the Group's assets measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (ie derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Fair value measurement using		
	Level 1	**Level 2**	**Level 3**
	$'000	**$'000**	**$'000**
The Group			
2011			
Financial assets, available-for-sale	**6,776**	**–**	**–**
2010			
Financial assets, available-for-sale	7,349	–	–

29. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	The Group	
	2011	2010
	$'000	$'000
Sales of goods and services to related parties	**19,020**	35,798
Purchases from related parties	**1,759**	1,408
Interest income received/receivable from related parties	**606**	693
Management fees received from related parties	**153**	135
Rental income from related parties	**85**	76
Rental charges paid to related parties	**345**	396
Consultancy fees paid to directors	**–**	11
Penalties received from related parties for shortfall on minimum purchases	**1,384**	71
Waiver of non-trade receivable from related parties		
- shortfall on minimum purchases	**–**	410
- interest income	**–**	519

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

29. Related party transactions (continued)

(a) Sales and purchases of goods and services (continued)

Related parties refer to companies which are connected to the Company through certain common directors who have significant influence over those companies.

Outstanding balances at 30 June 2011, arising from sale/purchase of goods and services, are set out in Notes 12 and 19 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	The Group	
	2011	2010
	$'000	$'000
Salaries and other short-term employee benefits	**427**	516
Employer's contribution to defined contribution plans including Central Provident Fund	**9**	11
	436	527

Included in the above is total compensation to directors of the Company amounting to $421,000 (2010: $440,000). The banding of directors' remuneration is as follows:

	The Company	
	2011	2010
Number of directors in remuneration bands		
- $250,000 to below $500,000	**1**	1
- below $250,000	**6**	6
	7	7

30. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

As at 30 June 2011, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of other business segments. Details of the business segments are as follows:

- Limestone processing;
- Scrap metal trading;
- Electronic component distribution; and
- Investment holding/others.

30. Segment information (continued)

	Limestone processing $'000	Scrap metal trading $'000	Electronic component distribution $'000	Investment holding/ others $'000	Total $'000
The Group					
2011					
Revenue	18,537	5,065	108	–	23,710
Segment result	3,067	121	(447)	(131)	2,610
Other gains - net					2,821
Unallocated costs					(1,475)
					3,956
Finance expense					(17)
Profit before income tax					3,939
Income tax expense					(1,096)
Net profit					2,843
Reportable segment assets and consolidated total assets	44,749	1,053	3,684	75,017	124,503
Reportable segment liabilities	5,385	9	41	603	6,038
Unallocated:					
Income tax liabilities					2,791
Deferred tax liabilities					2,469
Borrowings					259
Consolidated total liabilities					11,557
Other reportable segment items					
Capital expenditure	9,185	–	–	6	9,191
Depreciation	1,339	–	–	–	1,339
- segment					6
- unallocated					1,345

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

30. Segment information (continued)

	Limestone processing $'000	Scrap metal trading $'000	Electronic component distribution $'000	Investment holding/ others $'000	Total $'000
The Group					
2010					
Revenue	20,999	19,701	2,629	–	43,329
Segment result	4,349	442	(1,188)	(1,199)	2,404
Other gains - net					87,598
Unallocated costs					(1,583)
					88,419
Finance expense					(14)
Profit before income tax					88,405
Income tax expense					(13,624)
Net profit					74,781
Reportable segment assets and consolidated total assets	45,392	20,086	4,167	98,731	168,376
Reportable segment liabilities	2,333	3,091	341	41,170	46,935
Unallocated:					
Income tax liabilities					2,603
Deferred tax liabilities					2,358
Borrowings					54
Consolidated total liabilities					51,950
Other reportable segment items					
Capital expenditure	796	–	–	8	804
Depreciation	1,347	–	21	–	1,368
- segment					6
- unallocated					1,374

Although the Group's products are sold to Malaysia, United States of America, Singapore, India and other overseas markets, the management of the Group regularly reviews the consolidated financial statements 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 Board of Directors 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 and borrowings.

30. Segment information (continued)

Geographical information

As at 30 June 2011, the Group's four business segments operated in three main geographical areas:

Malaysia - the main activities are limestone processing, scrap metal trading and electronic component distribution;

Singapore - the main activities are investment holding and electronic component distribution; and

Other countries - the main activity is electronic component distribution.

	Sales for continuing operations		Non–current assets	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Singapore	**–**	927	**10**	14
Malaysia	**23,602**	41,135	**26,491**	19,737
Other countries	**108**	1,267	**1**	3
	23,710	43,329	**26,502**	19,754

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

Revenues of approximately $19,020,000 (2010: $35,798,000) are derived from three related parties. These revenues are attributable to the limestone processing and scrap metal trading segments in Malaysia.

31. Events occurring after balance sheet date

On 15 August 2011, the Group subscribed for an additional 3.67 million ordinary shares in Mindax Limited under a rights issue for a total cash consideration of S$1.20 million. As part of the rights issue, the Group was awarded options to subscribe for 3.67 million ordinary shares at an exercise price of A$0.30 per share, exercisable from 1 April 2012 to 30 April 2012. Subsequent to the rights issue, the Group's equity interests in Mindax Limited has increased to 12.92%.

On 13 July 2011, the Group has completed the disposal of its entire 54.23% equity interest in Advent Infotech Pvt Ltd, a subsidiary of AE Technol Pte Ltd, for a total cash consideration of US$1.00.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

32. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2011 or later periods and which the Group has not early adopted.

- Amendments to FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)
- Amendments to FRS 32 Financial Instruments: Presentation – Classification of rights issues (effective for annual periods beginning on or after 1 February 2010)

The management anticipates that the adoption of the above amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Lion Asiapac Limited on 23 September 2011.

SHAREHOLDING STATISTICS

As at 16 September 2011

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	2	0.04	1,066	0.00
1,000 - 10,000	2,646	59.49	16,082,046	3.97
10,001 - 1,000,000	1,785	40.13	86,179,332	21.25
1,000,001 & Above	15	0.34	303,260,280	74.78
Total	4,448	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
OCBC Securities Private Ltd	3,085,000	0.76
United Overseas Bank Nominees Pte Ltd	2,800,000	0.69
Ng Hian Gay	2,779,000	0.69
Allan Chua Tiang Kwang	2,400,000	0.59
Citibank Nominees S'pore Pte Ltd	2,061,000	0.51
Yang Siew Ho	1,952,000	0.48
DBS Nominees Pte Ltd	1,834,000	0.45
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
Phillip Securities Pte Ltd	1,417,000	0.34
Kim Eng Securities Pte Ltd	1,018,000	0.25
Gromov Vladislav	1,000,000	0.25
Chua Kah Boey	906,000	0.22
Eng Hup Seng Co Sdn Bhd	764,000	0.19
UOB Kay Hian Pte Ltd	622,666	0.15
Ong Boon Seng	610,000	0.15
Total	307,162,946	75.74

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 16 September 2011

SUBSTANTIAL SHAREHOLDERS
(as shown in the Register of Substantial Shareholders)

Substantial Shareholder	Number of Shares Direct Interest	Number of Shares 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
Teraju Varia Sdn. Bhd.[(3)]	–	121,562,760	29.98
Excel Step Investments Limited[(3)]	–	121,562,760	29.98
AMB Venture Sdn. Bhd.[(4)]	148,750,644	–	36.68
Lion AMB Resources Berhad (formerly known as Silverstone Corporation Berhad) [(5)]	–	148,750,644	36.68
Lion Forest Industries Berhad[(5)]	–	148,750,644	36.68
Amsteel Mills Sdn. Bhd.[(5)]	–	148,750,644	36.68
Steelcorp Sdn. Bhd.[(5)]	–	148,750,644	36.68
LLB Steel Industries Sdn. Bhd.[(5)]	–	148,750,644	36.68
LLB Nominees Sdn. Bhd.[(5)]	–	148,750,644	36.68
Lion Corporation Berhad[(6)]	–	270,313,404	66.66
Lion Diversified Holdings Berhad[(7)]	–	270,313,404	66.66
Lion Industries Corporation Berhad[(8)]	–	270,313,404	66.66
Tan Sri Cheng Heng Jem[(9)]	–	279,167,280	68.84

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.

(3) Teraju Varia Sdn. Bhd. and Excel Step Investments Limited are deemed interested in the 121,562,760 shares held by Omali by virtue of their interests in Lion Corporation Berhad ("LCB").

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

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

(6) LCB is deemed interested in (i) the 121,562,760 shares held by Omali as it is the ultimate holding company of Omali and (ii) the 148,750,644 shares held by AMB by virtue of its interest in Lion Industries Corporation Berhad ("LICB").

(7) Lion Diversified Holding Berhad ("LDHB") is deemed interested in (i) the 121,562,760 shares held by Omali and (ii) the 148,750,644 shares held by AMB, by virtue of its interest in LCB.

(8) LICB is deemed interested in (i) the 148,750,644 shares held by AMB as it is the ultimate holding company of AMB and (ii) the 121,562,760 shares held by Omali by virtue of its interest in LDHB.

(9) Tan Sri Cheng Heng Jem is deemed interested in the 8,853,876 shares held by Andar Investment Pte Ltd. He is also deemed interested in (i) the 148,750,644 shares held by AMB and (ii) the 121,562,760 shares held by Omali, by virtue of his interest in LDHB.

NOTICE OF 41ST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 41st 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 Thursday, 27 October 2011 at 11:30 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 2011.

2. To declare a first and final dividend of 0.5 cent per ordinary share (tax-exempt one-tier) for the year ended 30 June 2011.

3. (a) 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.

   (b) 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 remain as a member of the Audit Committee and Remuneration Committee and will be considered a non-independent Director.)

4. 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 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 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, Mr Ying Yoke Kwai 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 Ying Yoke Kwai, if re-elected, will remain as a member of the Audit Committee, Nominating Committee and Remuneration Committee and will be considered an independent Director.)

5. To approve the payment of S$149,110/- as Directors' fees for the year ended 30 June 2011.

6. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

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:

NOTICE OF 41ST ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS (CONT'D)

7. **General Mandate to Directors to Issue Shares and Convertible Securities (cont'd)**

(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;

(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)."

AS SPECIAL BUSINESS (CONT'D)

8. **Renewal of 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 for the purpose of Chapter 9 of the Listing Manual of the SGX-ST:

   (a) approval be and is hereby given for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the categories of Interested Person Transactions as described in pages 20 to 21 of this Annual Report, with any party who is of the class or classes of Interested Persons described in page 20 of this Annual Report, provided that such transactions are made on normal commercial terms, are not prejudicial to the interests of the Company and its minority Shareholders, and are in accordance with the review procedures for Interested Person Transactions as described in pages 21 to 25 of this Annual Report (the "IPT Mandate");

   (b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company; and

   (c) the Directors of the Company and each of them be and are hereby authorised to do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Ordinary Resolution."

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 9 November 2011, for the purpose of determining shareholders' entitlements to the proposed first and final dividend of 0.5 cent per ordinary share (tax-exempt one-tier) for the financial year ended 30 June 2011.

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 8 November 2011 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 8 November 2011 will be entitled to the proposed dividend.

The proposed dividend, if approved by shareholders at the 41st Annual General Meeting to be held on 27 October 2011, will be paid on 18 November 2011.

By Order of the Board

Tan Yen Hui
Company Secretary

Singapore, 10 October 2011

NOTICE OF 41ST 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 capital of 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 capital of the Company, for such purposes as they consider would be in the interest of the Company. The percentage of 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 this resolution is passed, after adjusting for new shares arising from the conversion or exercise of convertible securities, or from exercising share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares. This authority will, unless revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting of the Company or the expiration of the period within which the next 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 renew the IPT Mandate and allow the Company, its subsidiaries and associated companies or any of them to enter into certain interested person transactions as described in pages 20 to 21 of this Annual Report, and will empower the Directors to do all acts necessary to give effect to the IPT Mandate. This authority will, unless revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier.

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.

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)

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 41st Annual General Meeting of the Company to be held at The Conference Room, 10 Arumugam Road #10-00 Lion Building A Singapore 409957 on Thursday, 27 October 2011 at 11:30 am 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 2011		
2.	Declaration of a first and final dividend of 0.5 cent per share (tax-exempt one-tier)		
3(a)	Re-election of Mt Loh Kgai Mun as Director pursuant to Article 91 of the Company's Articles of Association		
3(b)	Re-election of Mr Cheng Theng How as Director pursuant to Article 91 of the Company's Articles of Association		
4(a)	Re-election of Mr Othman Wok as Director pursuant to Section 153(6) of the Companies Act, Cap. 50		
4(b)	Re-election of Mr Ying Yoke Kwai as Director pursuant to Section 153(6) of the Companies Act, Cap. 50		
5.	Approval of payment of Directors' fees		
6.	Re-appointment of Messrs PricewaterhouseCoopers LLP as Auditors		
	Special Business		
7.	General Mandate to Directors to issue shares and convertible securities		
8.	Renewal of the General Mandate for Interested Person Transactions		

Dated this ______________ day of October, 2011.

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)

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