



LION POSIM BERHAD

Registration No. 198201002310 (82056-X)

(Incorporated in Malaysia)

Interim Financial Report for the Second Quarter Ended 30 June 2022

Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Financial Statements	6 - 12

LION POSIM BERHAD
Registration No. 198201002310 (82056-X)
(Incorporated in Malaysia)

Interim financial report for the second quarter ended 30 June 2022
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
		30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Revenue		216,586	-	412,441	-
Operating expenses		(216,015)	-	(413,636)	-
Other operating income		842	-	2,495	-
Profit from operations		1,413	-	1,300	-
Finance costs		(49)	-	(101)	-
Share of results of associated companies		(828)	-	(1,349)	-
Profit/(Loss) before tax	23	536	-	(150)	-
Income tax expense	16	(835)	-	(1,176)	-
Loss for the period		<u>(299)</u>	<u>-</u>	<u>(1,326)</u>	<u>-</u>
Loss attributable to:					
- Owners of the Company		(293)	-	(1,276)	-
- Non-controlling interests		(6)	-	(50)	-
Loss for the period		<u>(299)</u>	<u>-</u>	<u>(1,326)</u>	<u>-</u>
Loss per share attributable to owners of the Company (sen) :	21				
- Basic		<u>(0.13)</u>	<u>-</u>	<u>(0.56)</u>	<u>-</u>
- Diluted		<u>(0.13)</u>	<u>-</u>	<u>(0.56)</u>	<u>-</u>

The Company had in last year changed its financial year end from 30 June to 31 December. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the 18-month period ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

LION POSIM BERHAD
Registration No. 198201002310 (82056-X)
(Incorporated in Malaysia)

Interim financial report for the second quarter ended 30 June 2022
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>INDIVIDUAL QUARTER</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.6.2022</u> RM'000	<u>30.6.2021</u> RM'000	<u>30.6.2022</u> RM'000	<u>30.6.2021</u> RM'000
Loss for the period	(299)	-	(1,326)	-
<u>Other comprehensive income/(loss)</u>				
<u>Item that will not be reclassified subsequently to profit or loss</u>				
Net loss on other investments at fair value through other comprehensive income:				
- Fair value changes	(1,680)	-	(2,240)	-
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation differences arising from foreign operations	6,717	-	7,293	-
Other comprehensive income for the period	5,037	-	5,053	-
Total comprehensive income for the period	4,738	-	3,727	-
Total comprehensive income/(loss) attributable to:				
- Owners of the Company	4,742	-	3,775	-
- Non-controlling interests	(4)	-	(48)	-
	4,738	-	3,727	-

The Company had in last year changed its financial year end from 30 June to 31 December. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the 18-month period ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

LION POSIM BERHAD

Registration No. 198201002310 (82056-X)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 30 June 2022

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 30.6.2022 RM'000	AS AT 31.12.2021 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		14,741	14,142
Right-of-use assets		1,933	2,193
Investment properties		114,248	108,452
Investment in associated companies		40,487	40,069
Other investments		9,686	11,926
Amount owing by other related company		110,051	111,051
Other receivable		19,500	13,000
Deferred tax assets		8,435	8,435
Total Non-Current Assets		<u>319,081</u>	<u>309,268</u>
Current Assets			
Inventories		19,921	13,052
Trade receivables		210,445	183,460
Other receivables and prepayments		84,678	65,536
Amount owing by immediate holding company		78,018	81,448
Amount owing by other related companies		58,628	60,554
Tax recoverable		4,935	4,311
Investment in money market funds		2,229	2,417
Fixed deposits, cash and bank balances		85,991	150,596
Total Current Assets		<u>544,845</u>	<u>561,374</u>
Total Assets		<u>863,926</u>	<u>870,642</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		920,902	920,902
Reserves		(178,031)	(181,806)
Equity attributable to owners of the Company		<u>742,871</u>	<u>739,096</u>
Non-controlling interests		<u>53</u>	<u>473</u>
Total Equity		<u>742,924</u>	<u>739,569</u>
Non-Current and Deferred Liabilities			
Lease liabilities		1,505	1,726
Hire-purchase payables	17	71	77
Deferred tax liabilities		52	52
Total Non-Current and Deferred Liabilities		<u>1,628</u>	<u>1,855</u>
Current Liabilities			
Trade payables		30,393	34,645
Other payables and accrued expenses		52,338	49,666
Contract liabilities		28,120	24,405
Amount owing to other related companies		859	885
Lease liabilities		490	517
Hire-purchase payables	17	12	14
Bank borrowings	17	4,994	16,769
Tax liabilities		2,168	2,317
Total Current Liabilities		<u>119,374</u>	<u>129,218</u>
Total Liabilities		<u>121,002</u>	<u>131,073</u>
Total Equity and Liabilities		<u>863,926</u>	<u>870,642</u>
Net assets per share attributable to owners of the Company (RM)		<u>3.26</u>	<u>3.24</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

LION POSIM BERHAD
Registration No. 198201002310 (82056-X)
(Incorporated in Malaysia)

Interim financial report for the second quarter ended 30 June 2022
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Non-distributable reserves →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated losses RM'000			
<u>30 June 2022</u>							
At 1 January 2022	920,902	(2,277)	41,712	(221,241)	739,096	473	739,569
Total comprehensive income/(loss) for the period	-	-	5,051	(1,276)	3,775	(48)	3,727
Dividend paid to non- controlling interests of a subsidiary company	-	-	-	-	-	(372)	(372)
At 30 June 2022	920,902	(2,277)	46,763	(222,517)	742,871	53	742,924

The Company had in last year changed its financial year end from 30 June to 31 December. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

LION POSIM BERHAD

Registration No. 198201002310 (82056-X)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 30 June 2022

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>Note</u>	YEAR-TO-DATE ENDED	
		30.6.2022	30.6.2021
		RM'000	RM'000
<u>OPERATING ACTIVITIES</u>			
Loss before tax		(150)	-
Adjustments for:			
Non-cash items		5,915	-
Non-operating items		(1,252)	-
Operating profit before changes in working capital		4,513	-
Changes in working capital:			
Net changes in current assets		(51,580)	-
Net changes in current liabilities		1,477	-
Others		(1,180)	-
		<u>(46,770)</u>	<u>-</u>
<u>INVESTING ACTIVITIES</u>			
Purchase of property, plant and equipment		(1,901)	-
Proceeds from disposal of property, plant and equipment		122	-
Dividend income received from an associated company		918	-
Decrease in:			
Amount owing by immediate holding company		128	-
Amount owing by other related companies		1,006	-
Decrease in investment in money market funds		188	-
Interest received		583	-
Partial purchase consideration paid for land acquisition		(6,500)	-
Others		1	-
		<u>(5,455)</u>	<u>-</u>
<u>FINANCING ACTIVITIES</u>			
Decrease in bank borrowings		(11,775)	-
Decrease in amount owing to other related companies		(26)	-
Increase in cash at banks held under fixed deposits pledged		(379)	-
Dividend paid to non-controlling interests of a subsidiary company		(372)	-
Others		(356)	-
		<u>(12,908)</u>	<u>-</u>
Net changes in cash and cash equivalents		(65,133)	-
Effect of exchange differences		150	-
Cash and cash equivalents at beginning of the period		126,448	-
Cash and cash equivalents at end of the period	18	<u>61,465</u>	<u>-</u>

The Company had in last year changed its financial year end from 30 June to 31 December. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the 18-month period ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

Interim financial report for the second quarter ended 30 June 2022
(The figures have not been audited)

NOTES TO THE INTERIM FINANCIAL REPORT

1. Accounting policies and methods of computation

The condensed consolidated financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2021. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 31 December 2021.

The significant accounting policies adopted in the condensed consolidated financial statements are consistent with those of the audited financial statements for the financial period ended 31 December 2021 except for the adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations effective for the financial period beginning 1 January 2022:

Amendments to:

MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform-Phase 2
MFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
MFRS 3	Reference to the Conceptual Framework
MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRSs 2018 - 2020 Cycle

The adoption of the abovementioned Amendments to MFRSs does not have material impact on the financial position and/or financial performance of the Group in the period of initial application.

Comparative figures

There are no comparative figures stated in the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and the related notes for the preceding year corresponding period as the Company had in last year changed its financial year end from 30 June to 31 December.

2. Comments about seasonal or cyclical factors

The Group's performance is not affected by any material seasonal or cyclical factors.

3. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current reporting periods other than as disclosed in the Interim Financial Report.

4. Changes in estimates

There were no changes in estimates that have had a material effect in the results for the current reporting periods.

5. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current reporting periods.

The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. As at 30 June 2022, the number of treasury shares held were 3,745,000 shares.

6. Dividend paid

There were no dividends paid during the current reporting periods.

7. Segmental information

The Group's segmental information for the 6-month period ended 30 June 2022:

	Building materials and steel products	Lubricants, petroleum products and automotive products	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	357,082	54,571	788	-	412,441
Inter-segment sales	-	-	-	-	-
Total revenue	<u>357,082</u>	<u>54,571</u>	<u>788</u>	<u>-</u>	<u>412,441</u>
Results					
Segment results	2,154	3,168	(4,022)	-	1,300
Finance costs	(38)	(15)	(48)	-	(101)
Share of results of associated companies					(1,349)
Loss before tax					(150)
Income tax expense					(1,176)
Loss for the period					<u>(1,326)</u>
Assets					
Segment assets	449,647	79,696	168,894	-	698,237
Investment in associated companies					40,487
Unallocated corporate assets					125,202
					<u>863,926</u>
The analysis of the Group's assets by geographical areas is as follows:					
Malaysia	449,647	79,696	150,177	-	679,520
People's Republic of China	-	-	28,641	-	28,641
Others	-	-	155,765	-	155,765
					<u>863,926</u>

8. Subsequent events

There were no material events subsequent to the end of the current quarter.

9. Changes in composition of the Group

There were no material changes in the composition of the Group during the current reporting period.

10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since 31 December 2021.

11. Performance review

		INDIVIDUAL QUARTER 3 MONTHS ENDED	YEAR-TO-DATE ENDED 6 MONTHS ENDED
	<u>Note</u>	30.6.2022	30.6.2022
		RM'000	RM'000
Revenue			
Building materials and steel products		183,599	357,082
Lubricants, petroleum and automotive products		32,558	54,571
Others		429	788
		<u>216,586</u>	<u>412,441</u>
Segment results			
Building materials and steel products		904	2,154
Lubricants, petroleum and automotive products		2,635	3,168
Others		(2,126)	(4,022)
Profit from operations		<u>1,413</u>	<u>1,300</u>
Finance costs		(49)	(101)
Share of results of associated companies		(828)	(1,349)
Profit/(Loss) before tax	23	<u>536</u>	<u>(150)</u>
Income tax expense	16	(835)	(1,176)
Loss for the period		<u>(299)</u>	<u>(1,326)</u>

The financial year end of the Group has been changed from 30 June to 31 December. As such, there are no comparative figures for the cumulative preceding year corresponding period and the results for last year's same quarter are referred for discussion below.

For the 6 months ended 30 June 2022, the Group registered a revenue of RM412.4 million and recorded a profit from operations of RM1.3 million with the Building Materials and Steel Products, and the Lubricants, Petroleum Products and Automotive Products Divisions being the two main contributors to the Group's performance.

After accounting for a share of loss in associated companies of RM1.3 million, the Group recorded a loss before tax of RM0.2 million for the period under review. The Group's net assets per share as at 30 June 2022 stood at RM3.26.

Building Materials and Steel Products

The revenue for the Division increased by 89% to RM183.6 million for the quarter ended 30 June 2022 when compared with RM97.3 million recorded in the same quarter last year. In the preceding year corresponding period, the Division's business was affected by various restrictions under the Movement Control Order ("MCO"). The Division accordingly posted a profit of RM0.9 million against a loss of RM0.2 million a year ago. For the 6-month period to 30 June 2022, the Division recorded a revenue of RM357.1 million and profit of RM2.2 million.

Lubricants, Petroleum Products and Automotive Products

For the 3-month period, the Division recorded a revenue of RM32.6 million, which was more than double the RM14.7 million recorded a year ago. Similarly, the Division's business was affected by the various restrictions under the MCO last year. Accordingly, the Division recorded a profit of RM2.6 million for the current quarter as compared with RM0.4 million in last year's same quarter. For the 6-month period, the Division posted a revenue of RM54.6 million and profit of RM3.2 million.

11. Performance review (continued)**Others**

Others results were mainly derived from the provision of training services, distribution and retailing of consumer products, investment in China and Cambodia, and investment holding. These activities collectively contributed a lower revenue of RM0.4 million compared with RM5.5 million in last year's same quarter. The Division recorded a lower loss of RM2.1 million for the current quarter under review as compared with RM4.2 million in the same quarter last year.

In last year same quarter, the investment in China posted a revenue of RM5.3 million and a loss of RM2.9 million mainly arose from the clearance of balance property inventories. After having ceased its operation end of last year, the investment in China was dissolved with effect from 15 July 2022.

For the 6-month period, the Division recorded a revenue of RM0.8 million and a loss of RM4.0 million.

12. Material changes in the results for the current quarter compared with the immediate preceding quarter

	Current Year Quarter	Immediate Preceding Quarter	Change
	30.6.2022	31.3.2022	
	RM'000	RM'000	%
Revenue	216,586	195,855	11
Profit/(Loss) from operations	1,413	(113)	>100
Profit/(Loss) before tax	536	(686)	>100

For the second quarter ended 30 June 2022, the Group recorded a revenue of RM216.6 million, an increase of 11% from that of last quarter mainly due to the higher sales of building materials and lubricants.

The Group recorded a profit from operations of RM1.4 million for the quarter under review mainly due to higher profit contributed by the Lubricants, Petroleum Products and Automotive Products Division.

After accounting for a share of loss in associated companies of RM0.8 million (Last quarter: RM0.5 million), the Group recorded a profit before tax of RM0.5 million for the quarter under review.

13. a) Prospects

The domestic economy is expected to be challenging in the next quarter due to uncertainties brought about by external factors such as weakening global growth and geopolitical tensions that have disrupted supply chains and caused global commodity prices to rise, and a surge in inflation.

Nevertheless, the Group will continue to focus on containing its operating costs and optimising operational efficiencies.

b) Forecast or target previously announced

The disclosure requirements are not applicable for the current reporting periods.

14. Statement of the Board of Directors' opinion on achievement of forecast or target

The disclosure requirements are not applicable for the current reporting periods.

15. Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

16. Income tax expense

	<u>INDIVIDUAL QUARTER</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.6.2022</u>	<u>30.6.2021</u>	<u>30.6.2022</u>	<u>30.6.2021</u>
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable				
- Current provision	<u>(835)</u>	<u>-</u>	<u>(1,176)</u>	<u>-</u>

After excluding the results of associated companies, the effective tax rate of the Group for the current quarter and year-to-date were higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

17. Borrowings

The Group's borrowings as at end of the reporting period were as follows :

	<u>AS AT</u>	<u>AS AT</u>
	<u>30.6.2022</u>	<u>30.6.2021</u>
	RM'000	RM'000
Non-Current		
Hire-purchase payables - secured	71	-
Current		
Hire-purchase payables - secured	12	-
Revolving credit - secured	3,500	4,000
Bankers acceptances - secured	-	14,000
Bankers acceptances - unsecured	1,494	-
	<u>5,077</u>	<u>18,000</u>

All the Group's borrowings are denominated in Ringgit Malaysia.

18. Cash and cash equivalents

Cash and cash equivalents at end of reporting period comprise the following:

	<u>AS AT</u>
	<u>30.6.2022</u>
	RM'000
Fixed deposits, cash and bank balances	85,991
Less : Deposits pledged with licensed banks	(24,526)
	<u>61,465</u>

The currency exposure profile of cash and cash equivalents is as follows:

Ringgit Malaysia	55,824
Chinese Renminbi	4,966
United States Dollar	675
	<u>61,465</u>

Cash and cash equivalents denominated in Chinese Renminbi of subsidiary companies in the People's Republic of China ("PRC") are subject to the exchange control restriction of the PRC.

19. Changes in material litigation

There was no material litigation since 31 December 2021.

20. Dividend proposed

The Board of Directors does not recommend any dividend for the current reporting periods.

21. Loss per share ("EPS")**Basic**

Basic EPS is calculated by dividing the Group's loss attributable to owners of the Company for the period by the weighted average number of ordinary shares of the Company in issue during the reporting periods as follows:

	<u>INDIVIDUAL QUARTER</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.6.2022</u>	<u>30.6.2021</u>	<u>30.6.2022</u>	<u>30.6.2021</u>
Loss attributable to owners of the Company (RM'000)	<u>(293)</u>	<u>-</u>	<u>(1,276)</u>	<u>-</u>
Weighted average number of shares in issue ('000)	<u>227,827</u>	<u>-</u>	<u>227,827</u>	<u>-</u>
Basic EPS (sen)	<u>(0.13)</u>	<u>-</u>	<u>(0.56)</u>	<u>-</u>

The basic EPS and the diluted EPS are equal as the Company has no dilutive potential ordinary shares as of the end of the reporting period.

22. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial period ended 31 December 2021 was not qualified.

23. Profit/(Loss) before tax

Profit/(Loss) before tax is arrived at after crediting/(charging) the following:

	<u>INDIVIDUAL QUARTER</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.6.2022</u>	<u>30.6.2021</u>	<u>30.6.2022</u>	<u>30.6.2021</u>
	RM'000	RM'000	RM'000	RM'000
a) Interest income	617	-	1,353	-
b) Other income including investment income	225	-	1,142	-
c) Interest expense	(49)	-	(101)	-
d) Depreciation and amortisation	(929)	-	(1,806)	-
e) Provision for and write off of receivables	(1,510)	-	(2,911)	-
f) Provision for and write off of inventories	-	-	-	-
g) Gain or (loss) on disposal of - quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain or (loss)	62	-	178	-
j) Gain or (loss) on derivatives	-	-	-	-

24. Corporate proposals

Status of corporate proposals

Save for the below proposals undertaken by the Group, there are no other corporate proposals as at the date of this report.

Date of Announcement	Subjects	Status
18.5.2022	<p>(a) Lion Waterfront Sdn Bhd (formerly known as Singa Logistics Sdn Bhd) ("Lion Waterfront"), a wholly-owned subsidiary of the Company, had on 18 May 2022 entered into a conditional development agreement with Landasan Lumayan Sdn Bhd ("Landasan Lumayan"), a wholly-owned subsidiary of Menteri Besar Selangor (Pemerbadanan) ("Selangor MBI"), to form an unincorporated joint venture to undertake a mixed residential and commercial development on a parcel of land to be alienated by the Selangor State Government to Landasan Lumayan measuring approximately 26.29 acres in Section 24, Shah Alam, Selangor ("Proposed Unincorporated Joint Venture").</p> <p>(b) In conjunction with the Proposed Unincorporated Joint Venture, the Company proposes to diversify the existing business of the Company and its subsidiary companies to include property development ("Proposed Diversification").</p> <p>The Proposed Unincorporated Joint Venture and the Proposed Diversification shall collectively be referred to as the "Proposals".</p>	<p>The Proposals are subject to approvals being obtained from the following:-</p> <ul style="list-style-type: none"> (i) the shareholders of the Company; and (ii) any other relevant authorities and/or parties, if required.