



**LionHub Group Limited**

ABN 29 119 999 441

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## Appendix 4 E

### Preliminary Final Report – Year Ended 31 December 2016

Name of entity : **LIONHUB GROUP LIMITED**  
 ABN : **29 119 999 441**

#### 1. DETAILS OF THE REPORTING PERIOD

Reporting period (“current period”) : 1 January 2016 – 31 December 2016  
 Previous corresponding period : 1 January 2015 – 31 December 2015

#### 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2016 \$'000	2015 \$'000	Amount change \$'000	Change %
Revenue from ordinary Activities	10	62	52	(84%)
Profit/(Loss) from ordinary activities after tax attributable to members	(4,391)	(3,483)	(908)	26%
Profit/(Loss) for the period attributable to members	(4,391)	(3,483)	(908)	26%

	Amount per share cents	Franked amount per share Cents
Dividend		
Final	-	-
Interim	-	-

Record date for determining entitlements to dividends: N/A

#### Explanation of revenue

The Company's revenue for the financial year ended 31 December 2016 amounted to \$10k as compared to \$62k in the previous corresponding period. Revenue comprised solely of interest income earned on fixed deposits. In FYE2016, the Company had entered into a joint venture with KSL (XC) Pte Ltd for the purpose of acquiring land for development in its project at Xuancheng. Land settlement is being carried out by the government authorities, and the land tender process is expected to begin within the first half of the year.

## **2. RESULTS FOR ANNOUNCEMENT TO THE MARKET (Cont)**

### **Explanation of losses from ordinary activities after tax attributable to members**

Losses from ordinary activities after tax attributable to members amounted to \$4,391k as compared with \$3,483k in the previous corresponding period. The losses for the year of \$4,391k comprised mainly of expenses relating to staff costs, directors' fees, marketing, professional fees and other operating expenses. Also included in the loss for the year, was an impairment charge of \$2,030k against the Group's intangible assets following an updated independent impairment valuation of the Xuancheng and Lu'an projects.

In the previous corresponding period, the loss of \$3,483k comprised mainly of expenses relating to the project acquisition and fund raising activities which include marketing and promotion expenses, professional fees, staff costs, directors' fees, and other operating expenses, and included an impairment charge of \$1,000k in relation to the XuanCheng project.

### **Explanation of net losses**

Please refer to above.

### **Explanation of dividends**

No dividends have been paid, declared or recommended since the end of the preceding financial year.

### 3. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		<b>Consolidated Group</b>	
		<b>2016</b>	<b>2015</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>			
Other income	3a	10	62
<b>Expense</b>			
Depreciation		(273)	(315)
Employee benefits		(1,103)	(1,100)
Exchange gain/(loss)		85	(23)
Filing and listing fees		(115)	(62)
Impairment loss on intangible assets		(2,030)	(1,000)
Legal fees		(39)	(19)
Marketing & promotion expenses		(108)	(300)
Professional fees		(103)	(146)
Travelling expenses		(75)	(144)
Other expenses		(630)	(424)
<b>Losses before income tax</b>		<b>(4,381)</b>	<b>(3,471)</b>
Income tax expense	3b	(10)	(12)
<b>Losses for the year</b>		<b>(4,391)</b>	<b>(3,483)</b>
<b>Other comprehensive income:</b>			
Exchange differences on translation of financial statements of foreign subsidiaries		(47)	(22)
<b>Total comprehensive income for the year</b>		<b>(4,438)</b>	<b>(3,505)</b>
<b>Loss attributable to:</b>			
- owners of the parent		(4,391)	(3,483)
<b>Total comprehensive loss attributable to:</b>			
- owners of the parent		(4,438)	(3,505)
<b>Earnings per share</b>			
Basic losses per share (cents)	3c	(0.53)	(0.42)
Diluted losses per share (cents per share)		(0.53)	(0.42)

### 3a. Revenue and Other Income

	Consolidated Group	
	2016	2015
	\$000	\$000
<b>Other Income</b>		
Interest received	10	62

### 3b. Income Tax

#### i. The components of tax expense/(benefit) include :

Income tax in prior year	10	12
	10	12

#### ii. The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax benefit on losses from ordinary activities before income tax at 30% (2015: 30%)	(1,314)	(1,041)
Effect of tax rates in foreign jurisdiction	86	278
Other permanent differences	-	-
Tax losses not recognised	1,228	763
Income tax in prior year	10	12
	10	12

### 3c. Earnings Per Share

Basic loss per share amounts are calculated by dividing net losses for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings/(loss) per share computations:

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
Loss for the year attributable to members	(4,391)	(3,483)
Weighted average number of ordinary shares for basic earnings per share	826,349,731	826,349,731
Effect of dilution	-	-
Share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	826,349,731	826,349,731

#### 4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Consolidated Group	
		2016 \$000	2015 \$000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4a	590	2,888
Trade and other receivables	4b	6	3
Other current assets	4c	45	32
<b>TOTAL CURRENT ASSETS</b>		<b>641</b>	<b>2,923</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4d	861	1,122
Intangible assets and goodwill	4e	18,787	20,817
Development expenditure		1,601	1,538
Deferred tax assets		4	4
<b>TOTAL NON-CURRENT ASSETS</b>		<b>21,253</b>	<b>23,481</b>
<b>TOTAL ASSETS</b>		<b>21,894</b>	<b>26,404</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4f	1,385	1,457
Amounts due to ultimate parent and its subsidiaries	4g	414	414
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,799</b>	<b>1,871</b>
<b>TOTAL LIABILITIES</b>		<b>1,799</b>	<b>1,871</b>
<b>NET ASSETS</b>		<b>20,095</b>	<b>24,533</b>
<b>EQUITY</b>			
Issued capital	4h	187,028	187,028
Reserves	4i	(7)	40
Retained earnings	4j	(166,926)	(162,535)
<b>TOTAL EQUITY</b>		<b>20,095</b>	<b>24,533</b>

#### 4a. Cash and Cash Equivalents

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
Cash at bank and on hand	590	2,888
	590	2,888

#### Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at bank and on hand	590	2,888
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#### 4b. Trade and Other Receivables

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current</b>		
Other receivables	6	3
Total current trade and other receivables	6	3

#### 4c. Other Current Assets

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
Prepayments	31	18
Deposits paid	11	11
Inventory	3	3
	45	32

#### 4d. Property, Plant and Equipment

<b>Cost</b>	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Balance at 1 January 2015	481	44	47	572
Acquisition through business combination	622	6	57	685
Additions	192	16	-	208
Disposals	16	3	2	21
Balance at 31 December 2015	1,311	69	106	1,486
Balance at 1 January 2016	1,311	69	106	1,486
Additions	68	3	-	71
Effect of movements in exchange rates	(76)	(2)	(6)	(84)
Balance at 31 December 2016	1,303	70	100	1,473
<b>Accumulated Depreciation</b>				
Balance at 1 January 2015	-	6	2	8
Acquisition through business	28	1	15	44
Depreciation	278	19	18	315
Effect of movements in exchange rates	(1)	(1)	(1)	(9)
Balance at 31 December 2015	305	25	34	364
Balance at 1 January 2016	305	25	34	364
Depreciation	228	21	24	273
Effect of movements in exchange rates	(22)	(1)	(2)	(25)
Balance at 31 December 2016	511	45	56	612
<b>Carrying amounts</b>				
At 31 December 2015	1,006	44	72	1,122
At 31 December 2016	792	25	44	861

#### 4e. Intangible Assets and goodwill

	<b>Goodwill</b>	<b>Development Rights</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Fair value</b>			
Balance at 1 January 2015	-	8,500	8,500
Acquisition through business combination	317	13,000	13,317
Balance at 31 December 2015	317	21,500	21,817
Balance at 1 January 2016	317	21,500	21,817
Acquisition through business combination	-	-	-
Balance at 31 December 2016	317	21,500	21,817
<b>Accumulated amortisation and impairment losses</b>			
Balance at 1 January 2015	-	-	-
Amortisation	-	-	-
Impairment losses	-	1,000	1,000
At 31 December 2015	-	1,000	1,000
Balance at 1 January 2016	-	1,000	1,000
Amortisation	-	-	-
Impairment losses	-	2,030	2,030
Balance at 31 December 2016	-	3,030	3,030
<b>Carrying amounts</b>			
At 31 December 2015	317	20,500	20,817
At 31 December 2016	317	18,470	18,787

#### Development Rights

The development rights were acquired as part of an asset acquisition (see Note 4h for details). They are recognised at their fair value at the date of acquisition.

#### Goodwill

Goodwill arose on the acquisition of a subsidiary in 2015.

#### 4f. Trade and Other Payables

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
Other payables	500	498
Accrued expenses	885	959
	1,385	1,457

#### 4g. Amounts due to ultimate parent and its subsidiaries

	Consolidated Group	
	2016	2015
	\$000	\$000
Balance at beginning of year <sup>(i)</sup>	-	1
Loans advanced – Lian Huat Management Services Pte Ltd <sup>(i)</sup>	414	419
Loan through business combination <sup>(ii)</sup>	-	625
Loan repayments – Lian Huat Management Services Pte Ltd	-	(631)
Balance at end of financial year	414	414

- (i) The borrowings from Lian Huat Management Services Pte Ltd are non-trade in nature, unsecured, with no fixed terms of repayment and interest free.
- (ii) The borrowing through business combination represents working capital funding from Lian Huat Management Services Pte Ltd for Lu'an project. The loans are non-trade in nature, unsecured, with no fixed terms of repayment and bear interest at range from 1.6719% to 2.5757% per annum.

#### 4h. Issued Capital

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Balance at beginning of year	826,349,731	757,056,973
Shares issued during the year:		
18 August 2015	-	59,090,909
8 December 2015	-	10,201,849
Balance at end of financial year	<u>826,349,731</u>	<u>826,349,731</u>

On 18 August 2015, the Company issued 59,090,909 shares under the Share Sale Agreement between the Company and Lian Keng. Lian Keng agreed to sell and the Company agreed to purchase Lian Keng's one sole share interest in Lian Huat (Lu'an) Pte Ltd, which holds the right to develop the proposed Lu'an Singapore Creative Ecological and Industrial Park in Anhui Province, China for a consideration of \$13,000,000 satisfied by the issue of these 59,090,909 fully paid Ordinary Shares. This increased Lian Keng's total number of shares to 522,970,588, giving it a voting power of 64.08%.

On 8 December 2015, the Company issued 10,201,848 shares at \$0.135 per share for a total consideration of approximately \$1,377,249 through the Renounceable Rights Issue. Each share with two attaching Listed Option and exercisable at \$0.22, expiring on the 4 December 2010.

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
Fully paid ordinary shares at the beginning of the year	187,028	172,757
Shares issued during the year	-	14,377
Capital raising costs	-	(106)
Fully paid ordinary shares at end of the year	<u>187,028</u>	<u>187,028</u>

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Fully paid ordinary shares participate in the winding up of the parent entity in proportion to the number of securities held.

#### Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

The Company is not subject to any externally imposed capital requirements.

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Consolidated Group	
		2016 \$000	2015 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payment to employees		(1,127)	(857)
Payments to other administration costs		(903)	(1,275)
Interest received		10	62
Interest paid		-	(31)
Income tax paid		(10)	(12)
Other		-	480
<b>Net cash provided by (used in) operating activities</b>		<b>(2,030)</b>	<b>(1,602)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		-	(161)
Acquisition of subsidiary, net of cash acquired		-	29
Development expenditure		(211)	(728)
<b>Net cash provided by (used in) investing activities</b>		<b>(211)</b>	<b>(860)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	1,377
Capital raising costs		-	(106)
Receipt from a director related company		-	339
Payment on behalf of a director related company		(16)	(390)
Repayment of borrowings		-	(600)
<b>Net cash provided by (used in) financing activities</b>		<b>(16)</b>	<b>589</b>
Net increase / (decrease) in cash held		(2,257)	(1,873)
Cash and cash equivalents at beginning of financial year	4a	2,888	4,764
Effect of exchange rates on cash holdings in foreign currencies		(41)	(3)
<b>Cash and cash equivalents at end of financial year</b>	4a	<b>590</b>	<b>2,888</b>

## 6. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Ordinary \$000	Accumulated losses \$000	Foreign currency translation reserve \$000	Total \$000
<b>Balance at 1 January 2015</b>	172,757	(159,052)	62	13,767
Shares issued during the year	14,377	-	-	14,377
Total Comprehensive Income	-	(3,483)	-	(3,483)
Movement in reserve	-	-	(22)	(22)
Capital raising costs	(106)	-	-	(106)
<b>Balance at 31 December 2015</b>	<b>187,028</b>	<b>(162,535)</b>	<b>40</b>	<b>24,533</b>
<b>Balance at 1 January 2016</b>	187,028	(162,535)	40	24,533
Shares issued during the year	-	-	-	-
Total Comprehensive Income	-	(4,391)	-	(4,391)
Movement in reserve	-	-	(47)	(47)
Capital raising costs	-	-	-	-
<b>Balance at 31 December 2016</b>	<b>187,028</b>	<b>(166,926)</b>	<b>(7)</b>	<b>20,095</b>

## 7. DIVIDEND REINVESTMENT PLANS

The dividend reinvestment plans shown below are in operation: None

Last date for receipt of election notices  
for the dividend reinvestment plan: N/A

## 8. NET TANGIBLE ASSETS PER SECURITY

	2016	2015
Net tangible assets per share (cents)	0.16	0.45

**9. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD**

Nil

**10. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES**

N/A

**11. RESULTS FOR THE PERIOD**

**11.1. The Earnings per security and the nature of any dilution aspects**

Refer to **Note 3c** in page 5.

**11.2. Returns to Shareholders including distributions and buy backs**

The company had no on-market buy back in operation during the reporting period and the previous corresponding period.

**11.3. Significant features of operating performance**

Refer to **Note 2** in page 1 and page 2.

**11.4. Segment information**

N/A

**11.5 Trends in performance**

Refer to **Note 2** in page 1 and page 2.

**11.6 Any other factors which have affected the results in the period or which are likely to affect results**

**in the future, including those where the effect could not be quantified.**

N/A

**11.7 Events subsequent to Report Date**

On 22 February 2017, the Company had signed a Shareholder Loan Agreement with Lian Keng Enterprises Pte Ltd which has a beneficial interest of 63.82% in the Lionhub Group. The purpose of the loan is to provide Lionhub Group with a working capital facility of \$1m for up to one year. This facility is intended to fund Lionhub's overhead expenses until such time that it is able to raise further funds to commence construction of its developments. The terms of the shareholder loan are on an arm's length basis.

- 12. WHETHER THE REPORT IS BASED ON + ACCOUNTS WHICH HAVE BEEN AUDITED  
or  
SUBJECT TO REVIEW, ARE IN THE PROCESS OF BEING AUDITED OR REVIEWED,  
or  
HAVE NOT YET BEEN AUDITED OR REVIEWED.**

This report is based on accounts that are in the process of being audited.

- 13. DESCRIPTION OF ANY LIKELY AUDIT DISPUTE OR QUALIFICATION**

N/A

**On behalf of the Board of Directors**

A handwritten signature in black ink, appearing to read 'Charles Lim', is positioned above the printed name and title.

**Charles Lim**  
**Chief Executive Officer**  
Dated: 28 February 2017