



1. **Details of the reporting period and the prior corresponding period**

Current period	1 January 2020 - 30 June 2020
Prior corresponding period	1 January 2019 - 30 June 2019

2. **Results for announcement to the market**

	Half-year ended 30 June 2020 \$'000	Half-year ended 30 June 2019 \$'000	Up/Down \$'000	Change %
Revenue from ordinary activities	431	3	Up	14267%
Loss from ordinary activities after tax attributable to members of the parent	(103)	(631)	Down	-84%
Total comprehensive income for the period attributable to members of the parent	(108)	(605)	Up	-82%

3. **Key Information**

	Amount per share (cents)	Franked amount per share (cents)
Interim Dividend	-	-
Previous corresponding period	-	-
Record date for determining entitlements to the dividend	N/A	N/A

4. **Net Tangible Assets per Security**

	Half-year ended 30 June 2020 (cents)	Half-year ended 30 June 2019 (cents)
Net Tangible Assets per Security	(0.0004)	(0.12)

5. **Details of entities over which control has been gained**

Name of entity:	N/A
Date of control:	N/A



LIONHUB GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 29 119 999 441

**Financial Report For The Half-Year Ended
30 June 2020**

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LIONHUB GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 29 119 999 441



Financial Report For The Half-Year Ended 30 June 2020

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**LIONHUB GROUP LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2020**



Your directors of Lionhub Group Limited ("the Company") present their report on the consolidated entity ("Group"), consisting of Lionhub Group Limited and its controlled entities it controlled at the end of, or during, the half-year period ended 30 June 2020.

General Information

Directors

The following persons were directors of Lionhub Group Limited during or since the end of the half-year up to the date of this report:

Mr. Choon Keng Kho	Non-Executive Chairman
Ms. Kwee Jee Lee	Non-Executive Director
Mr. Kim Huat Koh	Non-Executive Director
Ms. Siew Goh	Non-Executive Director

Unless otherwise stated, all directors were in office for the period under review, and up to the date of this report.

DIRECTORS' REPORT

In accordance with continuous disclosure requirements, it is recommended that this half-year report be read in conjunction with any public announcements lodged with the Australian Securities Exchange for the half-year.

Review of Operations

The consolidated loss for the six month period ended 30 June 2020 was \$103k. (2019 loss: \$631k).

The net assets of the Group as at 30 June 2020 was \$710k. (31 December 2019: \$818k)

Losses from ordinary activities after tax attributable to members amounted to \$103k. The losses for the half-year mainly comprised of staff, legal and professional finance costs.

Xuancheng Singapore Technology Park

The Company's focus is still to advance the Xuancheng Singapore Technology Park.

With the introduction of China's new Foreign Investment Protection Law which took effect on 1 January 2020, the Company's working relationship with the authorities overseeing the Xuancheng project has notably improved.

Lu'An Singapore Creative Ecological and Industrial Park

During the first half of the financial year, with the assistance of Enterprise Singapore (a statutory board of the Singapore Government) and the China Embassy in Singapore, the Company has been in negotiations with the Lu'An Authority to provide the Company with 40mu of industrial land and 100mu of residential land under the same terms and conditions as the original investment agreement.

The Company is currently in the process of refining the terms and conditions of the draft agreement, which remains confidential and incomplete.

Covid-19

Due to the global impact of the Covid-19 pandemic, progress in relation to the above 2 projects have been slow but is in line with the expectations of the Company.

Outlook

The Company will continue to focus its attention on:

- (a) advancing the Xuancheng Singapore Technology Park;
- (b) reviewing other potential property investment and development opportunities; and
- (c) continuing its consultations with ASX to achieve re-quotations of its securities at the earliest possible opportunity.

Rounding Amounts

The Group has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191 and accordingly, certain amounts in the half-year financial report and the Directors' Report have been rounded to the nearest \$1,000.

Auditor's Independence Declaration

The lead auditor's independence declaration is included on page 2 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to S.306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Choon Keng Kho
Non-Executive Chairman

Dated this 31 August 2020

**Lead Auditor's Independence Declaration under
Section 307C of the Corporations Act 2001 to the Directors
of LionHub Group Limited**

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2020, there have been:

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of LionHub Group Limited and the entities it controlled during the period.

DFK Laurence Varnay Audit Pty Ltd



Faizal Ajmat
Director
Sydney
Date: 31 August 2020



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LIONHUB GROUP LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2020



	Group	
	30 June 2020	30 June 2019
Note	\$000	\$000
Continuing operations		
Revenue		
Other income	431	3
Expense		
Employee benefits expense	(157)	(207)
Depreciation and amortisation expense	(2)	(45)
Finance costs	(184)	-
Exchange gain/(loss)	-	(8)
Filing and share register fees	(20)	(25)
Legal and professional fees	(89)	(93)
Rental expenses	(18)	(21)
Travelling expenses	(8)	(24)
Other expenses	(56)	(211)
(Loss) before income tax	(103)	(631)
Tax expense	-	-
Net (loss) for the half-year	(103)	(631)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss when specific conditions are met:		
Exchange differences on translating foreign operations, net of tax	(5)	26
Total other comprehensive loss for the half-year	(5)	26
Total comprehensive loss for the half-year	(108)	(605)
Net loss attributable to:		
Members of the parent entity	(97)	(631)
Non-controlling interest	(6)	-
	(103)	(631)
Total comprehensive loss attributable to:		
Members of the parent entity	(109)	(605)
Non-controlling interest	1	-
	(108)	(605)
Earnings per share		
Basic loss per share (cents)	(0.01)	(0.08)
Diluted loss per share (cents)	(0.01)	(0.08)

The accompanying notes form part of these financial statements.

LIONHUB GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020



		Group	
		30 June 2020	31 December 2019
	Note	\$000	\$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		116	209
Other assets		287	159
TOTAL CURRENT ASSETS		403	368
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,541	1,531
Development expenditure	5	891	881
Intangible assets	6	4,053	4,060
TOTAL NON-CURRENT ASSETS		6,485	6,472
TOTAL ASSETS		6,888	6,840
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	721	1,198
Borrowings	8	2,092	1,834
Convertible note	9	3,365	2,990
TOTAL CURRENT LIABILITIES		6,178	6,022
TOTAL LIABILITIES		6,178	6,022
NET ASSETS		710	818
EQUITY			
Issued capital	10	187,028	187,028
Reserves		41	47
Accumulated losses		(186,354)	(186,257)
Equity attributable to owners of the parent entity		715	818
Non-controlling interest		(5)	-
TOTAL EQUITY		710	818

The accompanying notes form part of these financial statements.

LIONHUB GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020



	Issued Share Capital \$000	Accumulated Losses \$000	Foreign Currency Translation Reserve \$000	Subtotal \$000	Non- controlling interests \$000	Total \$000
Consolidated Group						
Balance at 1 January 2019	187,028	(185,507)	128	1,649	(15)	1,634
Comprehensive income						
Loss for the period	-	(735)	-	(735)	-	(735)
Other comprehensive loss for the period	-	-	(81)	(81)	-	(81)
Total comprehensive loss for the period	-	(735)	(81)	(816)	-	(816)
Balance at 30 June 2019	187,028	(186,242)	47	833	(15)	818
Balance at 1 January 2020	187,028	(186,257)	47	818	-	818
Comprehensive income						
Loss for the period	-	(97)	-	(97)	(6)	(103)
Other comprehensive loss for the period	-	-	(6)	(6)	1	(5)
Total comprehensive loss for the period	-	(97)	(6)	(103)	(5)	(108)
Balance at 30 June 2020	187,028	(186,354)	41	715	(5)	710

The accompanying notes form part of these financial statements.

LIONHUB GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2020



	Group	
	30 June 2020 \$000	30 June 2019 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	-	3
Covid 19 government support	21	-
Payments to suppliers and employees	(354)	(382)
Finance costs	(136)	-
Net cash (used in) operating activities	(469)	(379)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangibles	-	-
Net cash (used in)/generated by investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of convertible notes	375	-
Loans from related parties	-	385
Net cash provided by financing activities	375	385
Net (decrease)/increase in cash held	(94)	6
Cash and cash equivalents at beginning of financial year	209	22
Effect of exchange rates on cash holdings in foreign currencies	1	(4)
Cash and cash equivalents at end of financial period	116	24

The accompanying notes form part of these financial statements.

LIONHUB GROUP LIMITED
NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020



These consolidated financial statements and notes represent those of Lionhub Group Limited and Controlled Entities (the "consolidated group" or "group").

The financial statements were authorised for issue on 31 August 2020 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in the annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial report for the year ended 31 December 2019 and any public announcements made by the Company since 31 December 2019 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

Basis of Preparation

The consolidated financial statements of Lionhub Group Limited for the six months ended 30 June 2020 have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Group has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191 and accordingly certain amounts in the financial report have been rounded to the nearest \$1,000.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Lionhub Group Limited and all of the subsidiaries (including any structured entities) with the exception of subsidiaries accounted for as investments at fair value. Subsidiaries are entities that the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling Interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Development Costs

Costs incurred in relation to the property developments are capitalised to the extent that they are recoverable out of future sales.

(c) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Company is the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars, which is the Company's functional currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

The Company

The financial results and position of foreign operations whose functional currency is different from the entity's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at exchange rates on the date of transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.



(Note 1: Summary of Significant Accounting Policies (cont'd))

(e) Revenue and Other Income

Accounting policy for revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised using the effective interest method. The effective interest method uses the effective interest rate which the rate that exactly discounts the estimated future cash receipts over the expected use of the financial asset.

(f) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost.

(g) Rounding of Amounts

The company has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, amounts in the financial statements have been rounded to the nearest \$1,000.

(h) Critical Accounting Estimates and Judgements

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has not identified any critical accounting policies for which significant judgements, estimates and assumptions are made other than in relation to the recognition of fair value of rights to real estate developments - refer to Note 6: Intangible Assets

(i) Going Concern

The Group incurred a loss for the six months ended 30 June 2020 of \$103k and the statement of financial position as at 30 June 2020 shows a deficiency of current assets in relation to current liabilities of \$5,775k.

The financial report has been prepared on a going concern basis. The Group's ability to implement its business strategy depends on its ability to raise funds for its property development program. In keeping with the Company's business model, the Directors expect to raise funds through arranging the sale of land in its development areas, and; or through raising equity and/or debt funding. Without this funding, there is a material uncertainty as to whether the Group will be able to make adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities, and may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

LIONHUB GROUP LIMITED
NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020



Note 2 Dividends

No dividends have been paid, declared or recommended for payment during the reporting period.

Note 3 Interests in Subsidiaries

(a) Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Place of Incorporation	Ownership interest held by the Group		Proportion of non-controlling interests	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
Lionhub (Xuancheng) Pte Ltd	Singapore	100%	100%	-	-
Lionhub (XC) Pte Ltd	Singapore	100%	100%	-	-
Jade Rabbit (Xuancheng) Management Services Pte Ltd	Singapore	100%	100%	-	-
Xuancheng Lionhub Techno Park Limited	China	100%	100%	-	-
Lionhub (Lu'an) Pte Ltd	Singapore	100%	100%	-	-
Lionhub (LA) Pte Ltd	Singapore	100%	100%	-	-
Lu'an Lionhub Link Pte Ltd	Singapore	100%	100%	-	-
Lu'an Lionhub Fortune Pte Ltd	Singapore	100%	100%	-	-
Lu'an Lionhub Eco Park Ltd	China	100%	100%	-	-
Lu'an Lionhub Property Ltd	China	100%	100%	-	-
Vanda Investment Holding Pte Ltd	Singapore	100%	100%	-	-
Vanda (XC) Pte Ltd	Singapore	100%	100%	-	-
KSL (XC) Metal Industries Pte Ltd	Singapore	50%	50%	50%	50%
KSL (Xuan Cheng) Metal Industries Ltd	China	50%	50%	50%	50%

(b) Significant Restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities of the Group.

Note 4 Property, Plant and Equipment

	Group	
	30 June 2020	31 December 2019
	\$000	\$000
LAND AND BUILDINGS		
Land and Buildings		
At cost	1,730	1,719
Accumulated depreciation	(191)	(190)
Total land	1,539	1,529
Total land and buildings	1,539	1,529
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	75	78
Accumulated depreciation	(73)	(76)
Total plant and equipment	2	2
Total property, plant and equipment	1,541	1,531

LIONHUB GROUP LIMITED
NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020



(Note 4: Property, plant and equipment (cont'd))

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period.

	Land and buildings \$000	Plant and Equipment \$000	Total \$000
Consolidated Group:			
Balance at 1 January 2019	535	4	539
Reclassification from intangibles	1,042	-	1,042
Depreciation expense	(52)	(2)	(54)
Movement in foreign exchange	4	-	4
Balance at 31 December 2019	1,529	2	1,531
Balance at 1 January 2020	1,529	2	1,531
Additions	4	-	4
Depreciation expense	-	(1)	(1)
Movement in foreign exchange	6	1	7
Balance at 30 June 2020	1,539	2	1,541

Note 5 Development Expenditure

	Group	
	30 June 2020	31 December 2019
NON-CURRENT		
Balance at beginning of year	881	886
Current year expenditure capitalised	4	-
Movement in foreign currency	6	(5)
Balance at end of reporting period	891	881

Note 6 Intangible Assets

	Group	
	30 June 2020	31 December 2019
	\$000	\$000
Goodwill		
Cost	-	317
Accumulated amortisation and impairment losses	-	(317)
Net carrying amount	-	-
Development Rights		
Cost	21,500	21,447
Accumulated amortisation and impairment losses	(17,447)	(17,387)
Net carrying amount	4,053	4,060
Total intangible assets	4,053	4,060

LIONHUB GROUP LIMITED
NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020



(Note 6: Intangible Assets (cont'd))

Consolidated Group:

	Goodwill	Development Rights	Total
	\$000	\$000	\$000
Year ended 31 December 2019			
Balance at the beginning of the year	317	5,459	5,776
Reclassification to Property, plant and equipment	-	(1,042)	(1,042)
Amortisation and impairment losses	(317)	(298)	(615)
Movement in foreign currency		(59)	(59)
	-	4,060	4,060
Period ended 30 June 2020			
Balance at the beginning of the year	-	4,060	4,060
Reclassification to Property, plant and equipment	-	-	-
Amortisation and impairment losses	-	-	-
Movement in foreign currency	-	(7)	(7)
Closing value as at 30 June 2020	-	4,053	4,053

Development Rights

The development rights are the rights to participate in the development of proposed technology parks in the Anhui Province of the Peoples Republic of China ("PRC"). The rights are recognised at fair value based on valuation reports produced by Censere Singapore Pte Ltd. The valuations were prepared using the Multi-period Excess Earning Method ("MEEM"). This method measures the present value of the future earnings to be generated during the remaining lives of the assets. The key assumptions used in determining the present value of the future earnings include the projected revenue over the projected period, fixed assets and working capital required in generating the projected revenues, the growth rate and the discount rate.

Xuancheng

Revenue

Based on expected selling prices of planned development, determined by reference to the particular types of development in different areas and market prices for similar development components.

EBIT margin

Based on margins earned by comparable developers in China 16.3%

Revenue growth

4.4%

EBIT growth

4.4%

Present value factor

31.5%

Useful life

5 years¹

¹ From commencement of development, after required approvals are received. The valuation estimates revenue only over this period, as estimates beyond that period are not considered to be sufficiently reliable, due to the lapse of time. Directors expect the developments to continue beyond five years.

The terms of the agreements entered into by the Company and Lian Huat Group for the purchase of the Development Rights for the Xuancheng projects includes a provision that if the Company or any of their related bodies corporate is not the successful bidder for land parcels under the Investment Agreement, Lionhub has the right to cancel the purchase of the development rights. The right to cancel the purchase will lapse if Lionhub is a successful bidder on at least one land parcel or the unsuccessful bids are directly caused by Lionhub. If this were to occur, it would result in Lionhub cancelling shares issued as consideration for the acquisitions.

In compliance with the Group's accounting policy, the Group commissioned an independent valuer, Censere Singapore Pte Ltd, to assess the value of the intangible assets associated with the Xuancheng development rights as at 31 December 2019. Based on impairment test reports as at 31 December 2019 by Censere Singapore Pte Ltd, the Group had recognised an impairment loss of \$298,000 for the financial year ended 31 December 2019 in relation to the Xuancheng development.

Development rights are to be amortised over the life of the projects, based on the projected revenues, commencing when the development starts. Increases in the value of the Group's intangible assets above cost cannot be recognised in the statement of financial position. As the developments have not yet commenced, no amortisation has been recorded for the financial period.

LIONHUB GROUP LIMITED
NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020



Note 7 Trade and Other Payables

	Note	Group	
		30 June 2020	31 December 2019
		\$000	\$000
CURRENT			
Unsecured liabilities			
Trade payables		281	91
Sundry payables and accrued expenses		440	1,107
		<u>721</u>	<u>1,198</u>

Note 8 Borrowings

	Note	Group	
		30 June 2020	31 December 2019
		\$000	\$000
CURRENT			
Related party loans ⁽¹⁾		1,024	802
Shareholder loans ⁽²⁾		1,068	1,032
		<u>2,092</u>	<u>1,834</u>

⁽¹⁾ The related party borrowings are non-trade in nature, unsecured, with no fixed terms of repayment and are interest free.

⁽²⁾ The borrowing was arranged between Lionhub Group Limited and its parent company, Lian Keng Enterprises Pte Ltd, which is the beneficial owner of 63.82% of the total issued share capital, as at 30 June 2020. The loan was intended for the funding of the Company's overhead expenses. The interest rate on the loan is 5.5% per annum. The Company is seeking further extension of the loan to 30 June 2021.

Note 9 Convertible Note

	Group	
	30 June 2020	31 December 2019
	\$000	\$000
CURRENT		
Convertible Note - Class A	3,165	2,790
Convertible Note - Class B	200	200
	<u>3,365</u>	<u>2,990</u>

On 24 January 2020, the Company issued 2,100,000 Convertible Notes A, raising a total of \$105,000.

On 16 March 2020 and 27 March 2020, the Company issued 620,000 and 780,000 Convertible Notes A respectively, raising a total of \$70,000.

On 14 April 2020, the Company issued 1,900,000 Convertible Notes A, raising a total of \$95,000.

On 17 June 2020 and 25 June 2020, the Company issued 500,000 and 1,600,000 Convertible Notes A respectively, raising a total of \$105,000.

The terms and conditions for each note are set out below:

Class A Convertible Note:

Number of Class A Notes on issued: 63,300,000
 Face value of each Note: \$0.05
 Holders of Class A Notes: Khosland Management Pte Ltd (53,300,000) and Yeo Lai Huat (10,000,000)
 Interest on loan: 9% per annum payable at end of each quarter and on conversion or redemption
 Maturity: 5 years
 Conversion by Holders: Subject to shareholder approval, convertible Notes will be converted at 80% of the volume weighted average price of the Company's ordinary shares over the 15 days prior to the date of conversion.

Class B Convertible Note:

Number of Class B Notes on issued: 4,000,000
 Face value of each Note: \$0.05
 Holders of Class A Notes: S.L.H Treasury Pte Ltd (3,500,000) and Kim Huat Koh (500,000)
 Interest on loan: 13.8% per annum payable on conversion or redemption
 Maturity: 5 years
 Conversion by Holders: Subject to shareholder approval, convertible Notes will be converted at 80% of the volume weighted average price of the Company's ordinary shares over the 15 days prior to the date of conversion.

LIONHUB GROUP LIMITED
NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020



Note 10 Issued Capital

	Group	
	30 June 2020	31 December 2019
	\$000	\$000
826,349,731 (31 December 2019: 826,349,731 fully paid ordinary shares)	187,028	187,028
	<u>187,028</u>	<u>187,028</u>

The Group has authorised share capital amounting to 826,349,731 ordinary shares.

(a) Ordinary Shares

	Number of Shares	Amount
	No.	\$000
At the beginning of the reporting period	826,349,731	187,028
Shares issued during the year	-	-
Closing Balance at 31 December 2019	<u>826,349,731</u>	<u>187,028</u>
Shares issued during the year	-	-
Closing Balance at 30 June 2020	<u>826,349,731</u>	<u>187,028</u>

(b) Options

The following reconciles the outstanding options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial period.

	Group	
	30 June 2020	31 December 2019
	No.	No.
At the beginning of the reporting period	21,903,698	21,903,698
Options issued during the period	-	-
At the end of the reporting period	<u>21,903,698</u>	<u>21,903,698</u>

Note 11 Operating Segments

The directors have considered the requirements of AASB 8: Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded at this time that there are no separately identifiable segments. The Group operates solely as a real estate developer, in China.

Note 12 Events After the Reporting Period

Due to the global impact of the Covid-19 pandemic, progress in relation to the Company's projects have been slow but is in line with the expectations of the Company.

**LIONHUB GROUP LIMITED
DIRECTORS' DECLARATION**



In accordance with a resolution of the directors of Lionhub Group Limited, the directors declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the half-year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of the Directors made pursuant to Section 295(25) of the Corporations Act 2001.

Director

Mr Choon Keng Kho

Dated this 31 August 2020

Independent Auditor's Review Report to the shareholders of LionHub Group Limited

Report on the half year Financial Report

Conclusion

We have reviewed the accompanying Half-year Financial Report of LionHub Group Limited (the company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 June 2020, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year Financial Report of LionHub Group Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the Financial Report, which indicates that the Group incurred a net loss of \$103,000 during the half year ended 30 June 2020, and that the statement of financial position as at 30 June 2020 shows a deficiency in net working capital of \$5,775,000. As stated in Note 1(i), in keeping with the Company's business model the ability of the Group to continue as a going concern depends on its ability to raise funds through arranging for the sale of land in its property development areas, and/or future successful raising of necessary funding through debt and/or equity. These events or conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Half-year Financial Report

The Directors of the Company are responsible for

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

We make it happen!



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Auditor's Responsibility for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year financial report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagement ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the Half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of *LionHub Group Limited*, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year Financial Report consists of making enquires, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

DFK Laurence Varnay Audit Pty Ltd



Faizal Ajmat
Director
Sydney
Date 31 August 2020

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