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

Response to queries raised by Singapore Exchange Securities Trading Limited on Second Quarter and Half Year Results Announcement

The Board of Directors of Lion Asiapac Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the unaudited financial result announcement dated 10 February 2023 ("**Announcement**") and wishes to provide further information pertaining to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

SGX-ST's Query:

1. The Group incurred "Other losses" of S$1.64 million, including S$1.19 million loss in "Investment Holding".
   i. Please clarify what are the investment holdings of the Group that resulted in the loss, as this contributed substantially to the S$2.29 million total net losses incurred by the Group as at 31 December 2022. Please also provide the basis used for the calculation of losses of S$1.19 million.
   ii. Please also elaborate on the loss of S$0.3 million under "other income and gains" categorized under the company's investment holding.

The Company's Response to Query 1 (i)

The weakening of the Renminbi between 30 June 2022 (at rate of 4.80) and 31 December 2022 (at rate of 5.18) has resulted in a S$1.19 million foreign exchange loss, as disclosed under Section D - Note 5 Investment holding segment and Note 8 Other income and gains.

The Company's Response to Query 1 (ii)

The S$0.3 million under Section D - Note 5 Investment holding segment – Other income and gains, was reported as gain and not a loss. This S$0.3 million gain relates to interest income from banks.

SGX-ST's Query:

2. We note that the reportable segment assets for Investment Holding fell from S$46.5 million as at 31 December 2021 to S$37.5 million as at 31 December 2022. However, the Cash Flow statement did not reflect any movement in cash from investing from the Investment Holding. Please elaborate on the S$9 million reduction in asset value of the Investment Holding and where this reduction was recorded in the financial statements.

The Company's Response to Query 2

The S$9 million reduction in the reportable segment assets value of Investment Holding was primarily a result of dividend payments of S$8.1 million and foreign exchange losses of S$1.19 million offset by interest income of S$0.3 million.

The dividend payment has been disclosed in the Cash Flow statement as financing activity.

SGX-ST's Query:

3. The Group booked a reduction of S$0.4 million in Inventories due to a one-time stock take adjustment. Please elaborate why the company only undertook a one-time stock take adjustment and how this had contributed to the S$0.7 million reduction in Inventories.

The Company's Response to Query 3

The stock take adjustment was the result of a one-off physical inspection which led to the finding of the physical deterioration in inventories of raw materials.

The S$0.7 million reduction in inventories comprised the stock take adjustment of S$0.4 million and the usage of burning fuel in lime production of S$0.3 million as disclosed in Section F2.

BY ORDER OF THE BOARD
LION ASIAPAC LIMITED

Gan Chi Siew
Company Secretary

Singapore, 16 February 2023