



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

SGX-ST ANNOUNCEMENT

For immediate release

**CLARIFICATION ANNOUNCEMENT RELATING TO THE PROPOSED DISPOSAL OF ALL THE
ISSUED ORDINARY SHARES IN COMPACT ENERGY SDN BHD**

The board of directors (the "**Board**") of Lion Asiapac Limited (the "**Company**") refers to the announcement dated 1 September 2023 (the "**Announcement**") on the entry by the Company into a conditional share purchase agreement (the "**Agreement**") with 1207791 B.C. Limited (the "**Purchaser**") for the proposed disposal (the "**Proposed Disposal**") of all the issued ordinary shares of Compact Energy Sdn Bhd ("**CESB**"), representing the entire issued share capital of CESB as at the date of completion of the Proposed Disposal, subject to the terms of the Agreement.

Unless otherwise defined or the context otherwise requires, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Announcement. In this announcement, an exchange rate of RM1.00:S\$0.2915 as at the date of the Announcement (the "**Relevant Exchange Rate**") is used.

Further to the Announcement, the Board wishes to clarify that the Proposed Disposal only relates to the divestment of CESB's limestone processing business. The steel consumables trading business previously managed by CESB has, since July 2023, been undertaken by LAP Trading & Marketing Pte. Ltd., a wholly-owned subsidiary of the Company, and will continue to be a component of the Group's business activities after completion of the Proposed Disposal.

Pursuant to the foregoing clarification, the Board wishes to make the following further clarifications/ corrections in respect of the Announcement:

- (a) the fair value of CESB, as at 30 June 2023, based on the asset-based approach valuation methodology, of approximately RM50.7 million (approximately S\$14.8 million), as announced at paragraph 4.4 of the Announcement, included receivables relating to CESB's steel consumables trading business. Accordingly, the Company has appointed the Independent Valuer to provide a revised valuation of CESB's assets relating to its limestone processing business (excluding its steel consumables trading business). Pursuant to the Independent Valuer's revised valuation of CESB's assets relating to its limestone processing business dated 20 November 2023, the fair value of CESB's assets relating to its limestone processing business (excluding its steel consumables trading business) as at 30 June 2023 based on the asset-based approach valuation methodology is approximately RM48.3 million (approximately S\$14.1 million based on the Relevant Exchange Rate);

- (b) in respect of paragraph 4.6 of the Announcement, based on the Consideration of approximately RM49.0 million (approximately S\$14.3 million based on the Relevant Exchange Rate), the adjusted net asset value of CESB's limestone processing business of approximately S\$16.3 million, and after accounting for realisation adjustments, the gain arising from the Proposed Disposal is approximately RM3.8 million (approximately S\$1.1 million based on the Relevant Exchange Rate).
- (c) in respect of paragraph 6.1 of the Announcement, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. ⁽ⁱ⁾	28.0
(b)	The net loss attributable to the assets to be disposed of, compared with the Group's net loss. ⁽ⁱⁱ⁾	-122.7
(c)	The aggregate value of the Consideration, compared with the Company's market capitalisation based on the total number of issued shares (excluding treasury shares). ⁽ⁱⁱⁱ⁾	57.8
(d)	The number of equity securities issued by the Company as consideration for the Proposed Disposal, compared with the number of equity securities previously in issue.	N.A. ^(iv)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	N.A. ^(iv)

Notes:

- (i) The relative figure for Rule 1006(a) of the Listing Manual has been computed based on (a) net asset value attributable to the limestone processing business of CESB of approximately S\$16.3 million; and (b) the Group's NAV of S\$58.3 million based on the Group's audited financial statements for FY2023.
- (ii) The relative figure for Rule 1006(b) has been computed based on (a) the net loss before tax attributable to the limestone processing business of CESB, being the assets to be disposed of, of approximately S\$3.6 million (as converted from RM12.3 million based on the Relevant Exchange Rate), as included in the Group's audited financial statements for FY2023; and (b) the Group's audited net loss before tax of approximately S\$2.9 million based on the Group's audited financial statements for FY2023. Under Rule 1007(1) of the Listing Manual, if any of the relative figures computed pursuant to Rule 1006 of the Listing Manual involves a negative figure, Chapter 10 of the Listing Manual may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10.1 of the Listing Manual. Based on the relative figures above, pursuant to paragraph 4.6 of Practice Note 10.1 of the Listing Manual read with paragraphs 4.3 and 4.4 of Practice Note 10.1 of the Listing Manual, approval of shareholders in a general meeting is required for the transaction.
- (iii) The relative figure for Rule 1006(c) has been computed based on (a) the Consideration of S\$14.3 million (as converted from RM49.0 million based on the Relevant Exchange Rate); and (b) the Company's market capitalisation of approximately S\$24.7 million, which is based on the total number of ordinary shares of the Company (excluding treasury shares) of 81,104,539 and the weighted average price of S\$0.3048 per Share on 31 August 2023, being the last market day preceding the date of the Announcement.
- (iv) The relative bases under Rules 1006(d) and (e) of the Listing Manual are not relevant to the Proposed Disposal.
- (d) in respect of paragraph 8.2 of the Announcement, the financial effects of the Proposed Disposal on the NTA and EPS of the Group, taking into account the fact that CESB's steel consumables trading business will continue to be part of the Group's business activities after the Proposed

Disposal, based on the Group's audited consolidated financial statements for FY2023, are as follows¹:

(i) **NTA per Share**

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$' 000)	58,259	59,213
Number of Shares	81,104,539	81,104,539
NTA per Share (S\$)	0.72	0.73

(ii) **EPS**

	Before the Proposed Disposal	After the Proposed Disposal
Net (loss)/ Profit attributable to Shareholders (S\$' 000)	(3,004)	2,141
Weighted average number of issued Shares	81,104,539	81,104,539
(Loss)/EPS (cents)	(3.70)	2.64

A circular setting out further information on the Proposed Disposal and the notice to convene the EGM for the purpose of seeking shareholders' approval for the Proposed Disposal will be despatched to shareholders in due course.

By Order of the Board

Gan Chi Siew
Company Secretary
5 January 2024

¹ The financial effects are subject to the following key assumptions:

- the effect of the Proposed Disposal on the Group's NTA per Share for FY2023 is based on the assumption that the Proposed Disposal had been effected at the end of FY2023;
- the effect of the Proposed Disposal on the Group's EPS for FY2023 is based on the assumption that the Proposed Disposal had been effected at the beginning of FY2023;
- the estimated gain on disposal is approximately RM3.8 million (approximately S\$1.1 million based on the exchange rate of RM1.00:S\$0.2915 as at the date of the SGXNet announcement in relation to the Proposed Disposal dated 1 September 2023 (the "**Relevant Exchange Rate**"));
- the estimated expenses incurred and to be incurred in respect of the Proposed Disposal is approximately RM1.0 million (approximately S\$0.3 million based on the Relevant Exchange Rate) (comprising mainly professional advisers' fees) from FY2023 onwards; and
- the acquisition by LAP Energy Sdn Bhd, a subsidiary of the Company, of the entire issued share capital of Semangat set out in the SGXNet announcements by the Company on 21 August 2023 and 30 August 2023, had been completed on 1 July 2022.

Important Notice

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of the Company should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.

Shareholders are also advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. Where in doubt as to the action they should take, Shareholders should consult their financial, tax legal or other professional advisors