



LION ASIAPAC LIMITED
(Company Registration No. 196800586R)
(Incorporated in the Republic of Singapore)

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- (1) **THE PROPOSED DISPOSAL OF ALL THE ISSUED SHARES IN COMPACT ENERGY SDN. BHD. ("CESB") – ENTRY INTO AMENDED AND RESTATED SHARE PURCHASE AGREEMENT**
- (2) **UPDATE ON THE ARBITRATION CLAIM**
- (3) **THE PROPOSED DISTRIBUTION TO SHAREHOLDERS SUBJECT TO AND UPON COMPLETION OF THE PROPOSED DISPOSAL**
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1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of Lion Asiapac Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 1 September 2023, 5 January 2024, 2 March 2024 and dated 4 July 2024 (the "**Announcements**").

Unless otherwise defined herein or the context otherwise requires, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Announcements

2. UPDATE ON THE PROPOSED DISPOSAL

The Company wishes to update shareholders as follows:

- 2.1 the Company has appointed RHB Bank Berhad as the financial advisor in respect of the Proposed Disposal (the "**Financial Advisor**"). The Financial Advisor has, on behalf of the Company, submitted an application to the Singapore Exchange Regulation Pte. Ltd. (the "**SGX RegCo**") to seek the SGX RegCo's concurrence that, the Proposed Disposal would not result in the Company being deemed a cash company for the purposes of Rule 1018 of the Listing Manual; and
- 2.2 on 23 May 2025, the Company received a letter from SGX RegCo under which SGX RegCo confirmed that it had no objections to the Company's view that it would not be deemed a cash company following the Proposed Disposal (the "**SGX Concurrence Letter**").

In view of the SGX Concurrence Letter, the Board wishes to update shareholders that on 29 May 2025, the Company and the Purchaser have entered into an amended and restated share purchase agreement (the "**Restated Agreement**") with a view to proceeding with the Proposed Disposal on substantially the same commercial terms as previously announced in the Company's announcement of 1 September 2023.

3. UPDATE ON THE ARBITRATION CLAIM

As announced by the Company on 4 July 2024, the Company received a Notice of Arbitration from the Purchaser relating to the Arbitration Claim.

The Company wishes to update shareholders that pursuant to the terms of the Restated Agreement, the Purchaser and the Company have further agreed that:

- (a) upon execution of the Restated Agreement, the parties shall promptly and jointly suspend all procedural timelines or the proceedings in the Arbitration Claim for a period of three (3) months;
- (b) upon the convening of the EGM, all procedural timelines or proceedings in the Arbitration Claim shall be further suspended by an additional two (2) months; and
- (c) within two (2) business days of completion of the sale and purchase of the Sale Shares under the Restated Agreement, the Purchaser shall take all necessary steps to discontinue the Arbitration Claim, with each party to bear their own costs of the arbitration proceedings. The tribunal's fees and the Singapore International Arbitration Centre's fees will be borne by both the Company and the Purchaser equally.

Please refer to Section 6 of this announcement for a summary of the terms of the Restated Agreement.

4. INFORMATION ON THE PURCHASER

The Purchaser is a private company limited by shares and incorporated under the laws of British Columbia, Canada. The Purchaser has its registered office at 200 – 10991 Shellbridge Way, Richmond BC V6X 3C6.

The Purchaser is an investment holding company of Graymont Limited ("**Graymont**"). Graymont is the reliable global leader for essential calcium-based solutions. Headquartered in Canada, Graymont serves markets throughout North America and Asia Pacific. Professionally managed and family-owned, the company has been in operation for over 75 years.

5. INFORMATION ON CESB

CESB is a company incorporated in Malaysia on 14 May 2004 and is a wholly-owned subsidiary of the Company.

CESB is in the business of limestone processing and operates with an advanced infrastructural unit which helps in the proper processing of lime products offered to customers. CESB operates two (2) units of 600 TPD twin shaft circular Maerz Limekiln for the production of quicklime, one (1) unit of 9 TPH hydrated lime plant and one (1) unit of 9 TPH quicklime powder plant. CESB's lime plant has an annual production capacity of 390,000 MT.

6. TERMS OF THE RESTATED AGREEMENT

6.1 Consideration for the Sale Shares

The consideration for the Sale Shares is estimated at approximately RM 48.1 million (approximately S\$14.5 million¹) (the "**Consideration**"). The Consideration (or the Consideration less the Retention Sum (as defined below)) shall be paid in cash by the Purchaser to the Company on the date of completion of the Proposed Disposal ("**Completion Date**") and is subject to post-completion adjustments.

The Consideration which is subject to net debt, net cash and net working capital adjustments, is arrived at on a willing-buyer and willing-seller basis, taking into account (a) the initial consideration of USD 4.2 million (approximately S\$5.6 million¹); and (b) CESB's cash and bank balances as at 30 June 2024.

6.2 Retention Sum

The Purchaser shall be entitled to withhold and deduct the sum of USD500,000 (approximately S\$670,000¹) (the "**Retention Sum**"), from the Consideration payable by the Purchaser to the Company on the Completion Date in the event that:

- (a) the Company is unable to deliver or cause to be delivered to the Purchaser any of the completion deliverables in accordance with the terms of the Restated Agreement (the "**Outstanding Completion Deliverables**"); and/or
- (b) any of the post-completion obligations set out in the Restated Agreement (the "**Post Completion Obligations**") remain outstanding or unsatisfied at the Completion Date.

Upon fulfilment of the Outstanding Completion Deliverables and the Post-Completion Obligations before or on 30 June 2027 or such other date as the parties may agree in writing (the "**Long Stop Date**"), the Purchaser shall, within seven (7) business days from the day upon which the last of the Outstanding Completion Deliverables and the Post Completion Obligations is fulfilled, pay the Retention Sum to the Company.

In the event that any or all of the Outstanding Completion Deliverables and/or Post-Completion Obligations are not fulfilled (collectively, the "**Unfulfilled Obligations**") by or on the Long Stop Date, the Purchaser shall be entitled to retain the Retention Sum absolutely as agreed liquidated damages. After the Long Stop Date, the Company shall not be liable for any claim for damages arising from the Unfulfilled Obligations and all obligations of the Purchaser to pay or settle the Retention Sum to the Company shall lapse and be of no effect.

¹ Unless otherwise stated, the S\$ equivalent of the RM figures in this announcement has been arrived at based on an exchange rate of RM1.00:S\$0.302 and the S\$ equivalent of the USD figures in this announcement has been arrived at based on an exchange rate of USD1.00:S\$1.34, each as at 31 March 2025. Any discrepancies in figures included in this announcement between the amounts shown and the totals thereof may be due to rounding.

6.3 Conditions Precedent and other terms of the Agreement

The completion of the sale and purchase of the Sale Shares under the Restated Agreement is conditional upon the approval of the shareholders of the Company being obtained in general meeting for the sale of the Sale Shares by the Company to the Purchaser in accordance with the terms of the Restated Agreement (the "**Condition Precedent**").

Pursuant to the Restated Agreement, the Company has undertaken to and with the Purchaser that it shall:

- (a) lodge the circular to shareholders as required under Rule 1014 of the Listing Manual with respect to the Proposed Disposal (the "**Circular**") with the SGX-ST within 28 days from the date of the Restated Agreement;
- (b) take, or cause to be taken, all actions as the SGX-ST may require, instruct or direct, to submit afresh, prepare, update, amend, revise and/or finalise the Circular with respect to the Proposed Disposal, including attending to any requests or direction from the SGX-ST to reflect or provide any information, clarification or proposal in the Circular pursuant to Rule 1018 of the Listing Manual with the aim of finalising the Circular review process as soon as possible;
- (c) complete the Circular review process, and obtain a clearance letter from the SGX-ST pursuant to Rule 1204 of the Listing Manual (the "**SGX Clearance Letter**");
- (d) in any event within two (2) business days from the date of the SGX Clearance Letter, notify the Purchaser in writing, together with a copy of the SGX Clearance Letter and/or such other information or documentation evidencing clearance of the Circular by the SGX-ST;
- (e) in any event within 15 days from the date of the SGX Clearance Letter, dispatch the Circular and the notice convening the general meeting of the Company towards the satisfaction of the Condition Precedent; and
- (f) convene the general meeting for the purposes of satisfying the Condition Precedent within 25 days from the dispatch of the Circular and the notice convening the general meeting of the Company.

In the event any approval or clearance obtained from any third party in respect of the Condition Precedent is subject to any condition or variation (including in connection with any ruling and/or determination that the Company is a cash company for the purposes of Rule 1018 of the Listing Manual), the Company shall do all such actions and matters as may be necessary to convene the EGM for purposes of fulfilling the Condition Precedent.

The Restated Agreement contains other customary provisions relating to the Proposed Disposal, including representations and warranties, indemnities and pre-completion covenants regarding the operation of the business, limitations of the Company's liabilities and restrictive covenants in respect of carrying on of any business in competition with the business of CESB and non-solicitation of customers and clients of CESB.

6.4 **Independent Valuation**

In relation to the Agreement, the Company had previously appointed Chay Corporate Advisory Pte. Ltd. as independent valuer (the "**Independent Valuer**") to provide a valuation on CESB in connection with the Proposed Disposal. Pursuant to the independent valuation of CESB dated 20 November 2023 conducted by the Independent Valuer, the fair value of CESB as at 30 June 2023 based on the asset-based approach valuation method is approximately RM 48.3 million (approximately S\$14.6 million).

Pursuant to the terms of the SGX Concurrence Letter, the Company has appointed the Independent Valuer to provide an updated valuation on CESB. Details of the updated valuation report or summary valuation letter issued by the Independent Valuer will be set out in the Circular to be despatched to shareholders in due course.

6.5 **Financial Information of CESB**

Based on the latest unaudited consolidated financial statements of the Group for the nine-month period ended 31 March 2025:

- (a) the book value and the net tangible asset value of CESB was approximately RM 42.0 million (approximately S\$12.2 million); and
- (b) net loss attributable to CESB was approximately RM 0.3 million (approximately S\$0.1 million).

For the avoidance of doubt, the latest open market value of CESB is not available as CESB is not a publicly listed and traded entity.

6.6 **Gain on Disposal and Use of Net Proceeds**

Based on the Consideration and the adjusted net asset value of CESB of approximately S\$14.5 million and RM 42.0 million (approximately S\$12.2 million) respectively as at 31 March 2025, the amount of gain on disposal of the Sale Shares is approximately RM 6.1 million (approximately S\$2.3 million).

The net proceeds (after deducting estimated expenses relating to professional fees to be incurred in connection therewith and operating capital) from the Proposed Disposal is approximately RM 36.4 million (approximately S\$11.0 million) ("**Net Proceeds**") and, subject to applicable laws, the Group intends to distribute the Net Proceeds to shareholders through a capital distribution exercise (the "**Proposed Distribution**"). The Company will seek shareholders' approval for the Proposed Distribution at the EGM, and the resolution to approve the Proposed Distribution will be inter-conditional with the resolution to approve the Proposed Disposal.

7. CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 are set out below.

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.	20.5 ⁽¹⁾
(b)	The net loss attributable to the Sale Shares, compared with the Group's net loss.	22.6 ⁽²⁾
(c)	The aggregate value of the Consideration, compared with the Company's market capitalization based on the total number of issued shares (excluding treasury shares).	65.4 ⁽³⁾
(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.
(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.

Notes:

- (1) Based on the unaudited adjusted net asset value of CESB of RM 42.0 million (equivalent to approximately S\$12.2 million) and the unaudited net asset value attributable to the owners of the Group of S\$59.8 million as at 31 March 2025.
- (2) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interest. Based on the unaudited loss before tax of CESB for the nine-month period ended 31 March 2025 of RM 0.3 million (equivalent to approximately S\$0.1 million) and unaudited loss before tax of the Group for the nine-month period ended 31 March 2025 of S\$0.4 million.
- (3) Based on the consideration of RM 48.1 million (equivalent to approximately S\$14.5 million) and the Company's market capitalisation of approximately S\$22.2 million on 28 May 2025. The market capitalisation of S\$22.2 million is determined by multiplying the issued share capital of the Company of 81,104,539 Shares with the weighted average price of S\$0.2739 per share on 23 May 2025, being the last market day for which the Shares were traded prior to the entering of the Restated Agreement.

As the relative figures in (b) computed on the basis set out in Rule 1006 above involve negative figures, they may not give a meaningful indication of the significance of the transaction to the Company. Notwithstanding the foregoing, on the application of paragraph 4 of Practice Note 10.1 of the Listing Manual, Rule 1014 shall apply to the transaction and the Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Listing Manual. Accordingly, the Proposed Disposal is subject to the approval of Shareholders at the EGM.

8. THE PROPOSED DISTRIBUTION

8.1 Details of the Proposed Distribution

As mentioned above, the Company intends to undertake the Proposed Distribution and will seek shareholders' approval for the same at the EGM. The resolution to approve the Proposed Distribution will be inter-conditional with the resolution to approve the Proposed Disposal.

Under regulation 10 of the Company's constitution, the Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

The Proposed Distribution shall comprise a capital reduction exercise (the "**Proposed Capital Reduction**") by the Company pursuant to section 78A read with section 78C of the Companies Act 1967 of Singapore (the "**Companies Act**") and a cash distribution of approximately S\$11.0 million being the estimated net proceeds from the Proposed Disposal (after deducting estimated expenses relating to professional fees to be incurred in connection therewith and operating capital).

The Proposed Distribution will be effected by:

- (a) reducing the issued and paid-up share capital of the Company by the amount of S\$11.0 million from S\$47.5 million (as at the date of this announcement); and
- (b) returning to all shareholders equally, the aggregate amount of S\$11.0 million by way of a cash distribution of approximately 13.56 Singapore cents per Share held by a shareholder as at the record date to be announced by the Company.

The aggregate amount of cash to be paid to each shareholder pursuant to the Proposed Distribution will be adjusted by rounding down any fractions of a cent to the nearest cent, where applicable.

As at the date of this announcement, the Company has an issued share capital of approximately S\$47.5 million comprising 81,104,539 Shares. The Company has no treasury shares or subsidiary holdings as at the date of this announcement.

The Proposed Capital Reduction will not result in any change in the number of Shares held by any shareholder. Each shareholder will hold the same number of Shares before and immediately after the Proposed Capital Reduction.

8.2 Conditions for the Proposed Distribution

The Proposed Distribution is subject to, among others, the following:

- (a) the Directors making the solvency statement in relation to the Proposed Capital Reduction and compliance with the other relevant solvency requirements as required by the Companies Act (the "**Solvency Statements**");
- (b) the approval of the shareholders by way of special resolution for the Proposed Distribution at the EGM (the "**Special Resolution**");
- (c) compliance with the relevant publicity requirements as prescribed in the Companies Act;
- (d) lodging with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), copies of the Solvency Statements and the Special Resolution, within fifteen (15) days beginning with the date of the Special Resolution;
- (e) no application having been made for the cancellation of the Special Resolution by any creditor of the Company within the timeframe prescribed in the Companies Act, or if such application was made, the dismissal thereof by the judicial authorities; and
- (f) lodging the following documents with ACRA after the end of six (6) weeks (but before the end of eight (8) weeks) beginning with the date of the Special Resolution:
 - (i) a statement made by the Directors confirming that the requirements under section 78C(1)(c) of the Companies Act have been complied with, and that no application for cancellation of the Special Resolution has been made; and
 - (ii) a notice containing information in relation to the Proposed Capital Reduction specified under the Companies Act.

9. RATIONALE FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The Board is of the view that the Proposed Disposal (and the entry into the Restated Agreement) is in the best interests of the Company and the shareholders of the Company, as it will enable the Group to realise the value of the Sale Shares. The Proposed Disposal relates to the Group's business of lime sales, which continues to be loss-making for some years as a result of escalating production costs and energy costs. In addition, under the terms of the Restated Agreement, the parties have agreed to a discontinuance of the Arbitration Claim in the event the Proposed Disposal proceeds to completion.

The Board is of the view that the Proposed Distribution is in the best interests of the Company as the Proposed Distribution comprises issued and paid-up capital in excess of the immediate requirements of the Company. The Proposed Distribution, if effected, would result in the Company having a more efficient capital structure. In determining the level of capital to be returned to the shareholders, the Board has ensured that the Company retains sufficient capital for its business and operational needs.

10. GENERAL MEETING OF SHAREHOLDERS

10.1 Circular to Shareholders

As mentioned above, the Proposed Disposal is classified as a major transaction under Rule 1014 of the Listing Manual which would require shareholders' prior approval in the EGM. The Proposed Distribution is also subject to shareholders' approval and will be inter-conditional with the resolution to approve the Proposed Disposal.

The Circular, which will set out further information on the Proposed Disposal, the Proposed Distribution and the notice to convene the EGM for the purpose of seeking shareholders' approval for the Proposed Disposal and the Proposed Distribution will be despatched to shareholders in due course.

10.2 Irrevocable Undertakings

In connection with the Proposed Disposal, each of Omali Corporation Sdn Bhd and AMB Venture Sdn Bhd, who holds a direct interest of approximately 29.98% and approximately 36.68% of the Shares in the Company (excluding treasury shares) respectively, has provided an irrevocable undertaking to, *inter-alia*, vote in favour of the resolution to approve the Proposed Disposal at the EGM in respect of the Shares held by each of them.

11. ILLUSTRATIVE FINANCIAL EFFECTS

11.1 For illustrative purposes only, the financial effects of the Proposed Disposal and the Proposed Distribution set out below are prepared based on the Group's latest announced audited consolidated financial statements for the financial year ended 30 June 2024 ("**FY2024**"), and subject to the following key assumptions:

- (a) the effect of the Proposed Disposal and the Proposed Distribution on the Group's net tangible assets ("**NTA**") per Share for FY2024 is based on the assumption that the Proposed Disposal and the Proposed Distribution had been effected at the end of FY2024;
- (b) the effect of the Proposed Disposal and the Proposed Distribution on the Group's earnings per Share of the Company ("**EPS**") for FY2024 is based on the assumption that Proposed Disposal and the Proposed Distribution had been effected at the beginning of FY2024; and
- (c) the gain on disposal of the Sales Shares of approximately RM 6.1 million (approximately S\$2.3 million) and the net proceeds from the Proposed Disposal of approximately RM 36.4 million (approximately S\$11.0 million) as mentioned in Section 6.6 of this announcement.

- 11.2 The financial effects set out below are illustrative only and therefore not necessarily indicative of the future financial position and earnings of the Company or the Group.

(a) **NTA per Share**

	Before the Proposed Disposal and the Proposed Distribution	After the Proposed Disposal	After the Proposed Disposal and the Proposed Distribution
NTA attributable to shareholders (S\$'000)	58,411	61,077	50,077
Number of Shares	81,104,539	81,104,539	81,104,539
NTA per Share (Singapore cents)	72.02	75.31	61.74

(b) **EPS**

	Before the Proposed Disposal and the Proposed Distribution	After the Proposed Disposal	After the Proposed Disposal and the Proposed Distribution
Net Profit attributable to Shareholders (S\$'000)	1,525	2,831	2,831
Weighted average number of issued Shares	81,104,539	81,104,539	81,104,539
EPS (Singapore cents)	1.88	3.49	3.49

12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders(s) of the Company have any interest, direct or indirect, in the Proposed Disposal and the Proposed Distribution, other than through their respective shareholdings in the Company.

13. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed to the board of the Company as part of the Proposed Disposal, and no director's service contract is proposed to be entered into by the Company with any person in connection with the Proposed Disposal.

14. DOCUMENTS FOR INSPECTION

A copy of the Restated Agreement will be made available for inspection during normal business hours at the registered office of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957 for three (3) months from the date of this announcement.

By Order of the Board

Kem Huey Lee Sharon
Company Secretary

29 May 2025