



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

THE PROPOSED DISPOSAL OF ALL THE ISSUED SHARES IN COMPACT ENERGY SDN. BHD. ("CESB") – UPDATE ON FINANCIAL EFFECTS RELATING TO THE PROPOSED DISPOSAL

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, 4 July 2024 and 29 May 2025, as well as the Company's circular to shareholders dated 25 July 2025 (the "**Circular**").

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 Circular.

As disclosed in Section 2.4 of the Circular, the Purchaser shall be entitled to withhold the Retention Sum from the Consideration payable by the Purchaser to the Company on the Completion Date in the event that (i) the Company is unable to deliver or cause to be delivered to the Purchaser any of the Outstanding Completion Deliverables; and/or (ii) any of the Post-Completion Obligations remain outstanding or unsatisfied at the Completion Date.

As disclosed in the Circular, the Outstanding Completion Deliverables relate to (i) customary documents in relation to the transfer of the Sale Shares, such as corporate authorisations and share transfer instruments; and (ii) certain other documents to be delivered by the Company to the Purchaser, at the request of the Purchaser in response to the Purchaser's due diligence findings, to the extent such documents have yet to be delivered by the Seller to the Purchaser on or before the Completion Date.

The Company wishes to provide shareholders with further information in relation to the Outstanding Completion Deliverables.

2. Outstanding Completion Deliverables

As part of the Outstanding Completion Deliverables, the Company is required to deliver to the Purchaser evidence of the novation (the "**Amsteel Novation**") of all the receivables of CESB in respect of the sale of goods and services to Amsteel Mills Sdn. Bhd. (the "**Amsteel Receivables**") to the Company and/or its affiliates (in a form satisfactory to the Purchaser). Amsteel Mills Sdn.

Bhd. is an associate of the Company's non-executive director and controlling shareholder Tan Sri Cheng Heng Jem.

As at the date of the Circular, (i) management was in discussions with the auditors on the treatment of the Amsteel Novation; (ii) the carrying value of the Amsteel Receivables was subject to change; and (iii) the consideration for the novation of the Amsteel Receivables had not yet been agreed - while it was the parties' commercial agreement that the Amsteel Receivables was to be novated, the consideration for the novation was not fixed nor agreed between the Purchaser and the Company (as any amounts would be offset by post-completion adjustments).

As such, in preparing the illustrative financial effects of the Proposed Disposal, management took a conservative position and had not included the financial effects of the Amsteel Novation, as any such inclusion may have had the effect of overstating the gain on disposal from the Proposed Disposal.

The Group wishes to update shareholders as follows:

- (a) as at 31 March 2025, the Amsteel Receivables stood at an amount equal to RM 4.3 million (approximately S\$ 1.3 million¹) accounting for approximately 9.0% of CESB's total assets;
- (b) while the consideration for the Amsteel Novation has yet to be determined, it is expected that the Amsteel Novation will be for nominal consideration; and
- (c) excluding the Amsteel Receivables, the adjusted book value and the net tangible asset value of CESB would be approximately RM37.7 million (approximately S\$11.0 million) as at 31 March 2025 ("**Adjusted NAV**").

3. Gain on disposal

Based on the Indicative Consideration of RM46.9 million (approximately S\$14.2 million) and the Adjusted NAV of CESB as at 31 March 2025 of RM37.7 million (approximately S\$11.0 million), the Proposed Disposal is expected to result in a gain on disposal of approximately RM9.2 million (approximately S\$3.2 million).

4. Financial effects of the Proposed Disposal (including the Amsteel Novation)

For illustrative purposes only, the financial effects of the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (including the Amsteel Novation) are set out below.

As at the date of this announcement, the Group continues to be in discussions with its auditors on the appropriate treatment of the Amsteel Receivables; while the Company is not aware of any reason why the Group's auditors would require the Amsteel Receivables to be impaired in the Group's financial statements for the financial year ended 30 June 2025, the below financial effects have been presented to cater to two scenarios in respect of the Amsteel Receivables: (i) Scenario

¹ 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. Any discrepancies in figures included in this announcement between the amounts shown and the totals thereof may be due to rounding.

A: in the event the auditors require the Group to fully impair the Amsteel Receivables ("**Scenario A**"); and (ii) Scenario B: in the event impairment is not required ("**Scenario B**"). The Group wishes to reiterate that it continues to be in discussions with its auditors on this, and will provide an immediate update to shareholders as soon as a conclusion has been reached with its auditors.

The financial effects are prepared based on the Group's latest announced audited consolidated financial statements for FY2024, and subject to the following key assumptions:

- (a) the effect of the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution on the Group's NTA per Share for FY2024 is based on the assumption that the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution had been effected at the end of FY2024;
- (b) the effect of the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution on the Group's EPS for FY2024 is based on the assumption that Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution had been effected at the beginning of FY2024;
- (c) the gain on disposal of the Sales Shares;
- (d) the Distribution Amount is S\$11.0 million (approximately RM 36.4 million); and
- (e) the related expenses are disregarded for computational purposes.

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 Capital Reduction by way of the Cash Distribution ²	After the Proposed Disposal (excluding the Amsteel Novation) ²	After the Proposed Disposal (including the Amsteel Novation) (Scenario A)	After the Proposed Disposal (including the Amsteel Novation) (Scenario B)	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (excluding the Amsteel Novation) ²	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (including the Amsteel Novation) (Scenario A)	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (including the Amsteel Novation) (Scenario B)
NTA attributable to Shareholders (S\$'000)	58,411	60,717	60,717	61,992	49,717	49,717	50,992

² As disclosed in the Circular.

	Before the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution ²	After the Proposed Disposal (excluding the Amsteel Novation) ²	After the Proposed Disposal (including the Amsteel Novation) (Scenario A)	After the Proposed Disposal (including the Amsteel Novation) (Scenario B)	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (excluding the Amsteel Novation) ²	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (including the Amsteel Novation) (Scenario A)	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (including the Amsteel Novation) (Scenario B)
Number of Shares	81,104,539	81,104,539	81,104,539	81,104,539	81,104,539	81,104,539	81,104,539
NTA per Share (Singapore cents)	72.02	74.86	74.86	76.43	61.30	61.30	62.87

(b) EPS

	Before the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution ³	After the Proposed Disposal (excluding the Amsteel Novation) ³	After the Proposed Disposal (including the Amsteel Novation) (Scenario A)	After the Proposed Disposal (including the Amsteel Novation) (Scenario B)	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (excluding the Amsteel Novation) ³	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (including the Amsteel Novation) (Scenario A)	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (including the Amsteel Novation) (Scenario B)
Net Profit attributable to Shareholders (S\$'000)	1,525	2,471	2,471	3,746	2,471	2,471	3,746
Weighted average number of issued Shares	81,104,539	81,104,539	81,104,539	81,104,539	81,104,539	81,104,539	81,104,539

³ As disclosed in the Circular.

	Before the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution ³	After the Proposed Disposal (excluding the Amsteel Novation) ³	After the Proposed Disposal (including the Amsteel Novation) (Scenario A)	After the Proposed Disposal (including the Amsteel Novation) (Scenario B)	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (excluding the Amsteel Novation) ³	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (including the Amsteel Novation) (Scenario A)	After the Proposed Disposal and the Proposed Capital Reduction by way of the Cash Distribution (including the Amsteel Novation) (Scenario B)
EPS (Singapore cents)	1.88	3.05	3.05	4.62	3.05	3.05	4.62

5. Independent valuation

The Group also wishes to highlight that the Independent Valuation had not accounted for the Amsteel Novation. For the reasons set out above, the Company had instructed the valuer to conduct the independent valuation of CESB to reflect the fair value of CESB as at the Valuation Date, as opposed to arbitrarily attributing a value to the Amsteel Receivables and deducting such arbitrary value from the outcome of the independent valuation by way of mathematical adjustment. Further, as the independent valuation set out in the Circular represented an updated valuation (given that an initial valuation was conducted by the Independent Valuer on 20 November 2023 on CESB), the Company had wanted to ensure a consistent approach to the valuation previously conducted. Finally, at the time the valuation was commissioned, the consideration for the novation was yet to be determined. As such, there would not have been any reasonable basis for the Independent Valuer to account for the Amsteel Novation for purposes of the independent valuation of CESB.

By Order of the Board

Kem Huey Lee Sharon
Company Secretary
4 August 2025