



**LION ASIAPAC LIMITED**

(Co. Reg. No. 196800586R)

(Incorporated in the Republic of Singapore)

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**Response to queries raised by Singapore Exchange Securities Trading Limited  
on Third Quarter and Nine-Month Results Announcement**

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The Board of Directors of Lion Asiapac Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to provide the following information in response to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") dated 25 May 2022 in relation to the Company's announcement dated 13 May 2022 regarding the Group's results for the third quarter and nine-month ended 31 March 2022.

**SGX-ST's Query:**

The Company disclosed a significant increase in its expenses under purchase of inventories by 112% amounting to \$5.267 million although revenue increased only by 64% to \$6.783 million for the period 3Q2022 as compared to 3Q2021.

- i. Please explain the factors resulting in the significant increase in expenses for purchase of inventories and what the inventories expensed are.
- ii. Please elaborate for a better understanding as to why purchase of inventories resulted in a significantly higher proportion of revenue.

**The Company's Response to Query i.**

The purchase of inventories increased by 112% to S\$5.3m comprised purchases for the steel consumable trading and lime manufacturing businesses.

**The Company's Response to Query ii.**

The purchase of inventories (S\$5.3m) and the immaterial changes in inventories (S\$51,000) reflected the high cost of goods sold (S\$5.3m), which contributed to a higher proportion of revenue.

BY ORDER OF THE BOARD  
LION ASIAPAC LIMITED

Lah Ling San  
Company Secretary

Singapore, 30 May 2022