

**LION ASIAPAC LIMITED**

(Co. Reg. No. 196800586R)

(Incorporated in the Republic of Singapore)

MATERIAL AUDIT ADJUSTMENTS BY RSM CHIO LIM LLP (THE “EXTERNAL AUDITORS”) IN RESPECT OF THE FINANCIAL RESULTS OF LION ASIAPAC LIMITED (THE “COMPANY”) AND ITS SUBSIDIARIES (THE “GROUP”) FOR FINANCIAL YEAR ENDED 30 JUNE 2018 AS ANNOUNCED BY THE COMPANY ON 23 AUGUST 2018 (THE “ANNOUNCEMENT”)

The Board of Directors (the “Board”) of the Company and the Group refer to the unaudited full year results announcement for the financial year ended 30 June 2018 (“FY2018”) released on 23 August 2018 (the “Unaudited Results”), the External Auditors had proposed Audit Adjustments which have been accepted and agreed by the Board.

Pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, the Board wishes to highlight that there are material variances to the Unaudited Results. The affected sections of the financial statements on the financial performance, the position of the Group and the Company, and the statements of cash flows for FY2018, based on the Announced Results and subsequent audit adjustments (“Post Audit Adjustments”), are tabulated as follows:

In respect of the Consolidated Statement of the Comprehensive Income for FY2018

Group	Post Audit Adjustment results	Based on Announced Results	Difference		Note
	\$'000	\$'000	\$'000	%	
Other expenses	4,138	3,901	237	6	1
Profit before tax	1,135	1,372	(237)	(17)	1
Total profit	1,044	1,281	(237)	(19)	1
Total comprehensive income	2,277	2,514	(237)	(9)	1
Earnings per share:					
- Basic (cents)	1.29	1.58	(0.29)	(18)	2
- Diluted (cents)	1.29	1.58	(0.29)	(18)	2

In respect of the Statement of the Group’s financial position as at 30 June 2018

Group	Post Audit Adjustment results	Based on Announced Results	Difference		Note
	\$'000	\$'000	\$'000	%	
Current assets					
- Trade and other receivables	4,500	4,307	193	4	1
Total assets	85,892	85,699	193	(-)	1
Current Liabilities					
- Provision	430	-	430	<i>n.m.</i>	1
Total liabilities	3,538	3,108	430	14	1
Net assets/Total Equity	82,354	82,591	(237)	(-)	1
Equity					
- Retained profits	40,995	41,232	(237)	(1)	1
Net asset value per ordinary share	101.54	101.83	(0.33)	(-)	2

In respect of the Consolidated Statement of Cash Flows for FY2018

Group	Post Audit Adjustment results	Based on Announced Results	Difference		Note
	\$'000	\$'000	\$'000	%	
Cash Flows from investing activities					
Cash subjected to foreign exchange control	4,017	-	4,017	<i>n.m.</i>	3
Net Cash provided by investing activities	4,061	44	4,017	<i>n.m.</i>	3
Net increase in cash and cash equivalents	5,544	1,527	4,017	263	3
Cash and cash equivalents at beginning of financial year	23,692	69,726	(46,034)	(66)	3
Cash and cash equivalents at end of financial year	30,043	72,060	(42,017)	(58)	3

n.m.: denotes not meaningful

Notes:

1. Provision of S\$0.4 million was made for reimbursable cost in relation to the works carried out by Gas Malaysia Berhad ("GMB") for the construction of gas distribution pipeline and related facilities to a subsidiary of the Company. The Company had earlier entered into an agreement with its related parties to indemnify the subsidiary for the shortfall claim, late payment charges, penalty or other costs payable to GMB, the amount of S\$0.2 million will be recovered. As such additional other expenses of S\$0.2 million was recognised in FY2018.

As a result of the above adjustments, profit before tax and total profit decreased from S\$1.3 million to S\$1.1 million. Trade and other receivables and total assets increased from S\$4.3 million to S\$4.5 million and S\$85.7 to S\$85.9 million respectively. Total liabilities increased from S\$3.1 million to S\$3.5 million. Retained profits and total equity decreased from S\$41.2 million to S\$41.0 million and S\$82.6 million to S\$82.4 million.

2. Consequently, the earning per share and diluted earnings per share decreased from 1.58 cents to 1.29 cents. The net asset value dropped from S\$101.83 cents to S\$101.54 cents.
3. The Group has cash balance of S\$42 million (FY2017: S\$46.0 million) which is subjected to the foreign exchange control in People's Republic of China. During the year, S\$4.0 million was remitted back to Singapore.

**BY ORDER OF THE BOARD
LION ASIAPAC LIMITED**

Loh Kgai Mun
Executive Director

Singapore, 25 September 2018