



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

SGX-ST ANNOUNCEMENT

For immediate release

PROPOSED DISPOSAL OF ALL THE ISSUED ORDINARY SHARES IN COMPACT ENERGY SDN BHD – NON-FULFILMENT OF CONDITION PRECEDENT

The board of directors (the "**Board**") of Lion Asiapac Limited (the "**Company**") refers to the announcements dated 1 September 2023 and 5 January 2024 (the "**Announcements**") in relation to the entry by the Company into a conditional share purchase agreement as amended and supplemented by the supplemental letter dated 15 February 2024 (collectively, 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 Announcements.

Pursuant to the terms of the Agreement, completion of the Proposed Disposal is conditional upon the approval of the shareholders of the Company being obtained in a general meeting (the "**Condition Precedent**") for the Proposed Disposal. Pursuant to the terms of the Agreement, as the Condition Precedent was not fulfilled by 5.00 p.m., Malaysia time, on the date of expiry of a period of six (6) months following the date of the Agreement, being 1 March 2024 (the "**Cut-Off Date**"), the Parties shall not be bound to proceed with the Proposed Disposal and the Agreement has ceased to be of any effect (save for (i) certain provisions set out in the Agreement which will survive and (ii) any claims by the Parties for antecedent breaches of the Agreement).

The Company had been engaging in continuous consultation with the Singapore Exchange Securities Trading Limited ("**SGX**") since October 2023 on various issues in the process of obtaining clearance of the draft circular to shareholders of the Company to approve the Proposed Disposal at a general meeting. The SGX had in the course of such consultation process informed the Company that it will be deemed a cash company and be subject to Rule 1018 of the Listing Manual upon completion of the Proposed Disposal. Amongst other things, Rule 1018 of the Listing Manual requires the Company to place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the Proposed Disposal) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The Board is of the view that this is not in the best interests of the Company as it would, amongst other things, result in the Company having insufficient free cash to continue its other operations and also the potential eventual delisting of the Company. As such, the Company has elected not to execute a supplemental agreement to extend the Cut-Off Date and to allow the Agreement to lapse instead.

The termination of the Agreement is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year.

The Purchaser has notified the Company through its legal counsel that it is of the view that the Company is in breach of its obligations under the Agreement and disagrees that the Agreement has lapsed. The Company denies these allegations and is currently seeking legal advice from legal counsels with a view to proceeding on a course of action that is in the best interests of the Company. The Company is also considering its options in relation to CESB due to the non-completion of the Proposed Disposal. The Company will make further announcements in compliance with the requirements of the Listing Manual if there are any material developments.

By Order of the Board

Gan Chi Siew
Company Secretary
2 March 2024

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