



LION ASIAPAC LIMITED

(Co. Reg. No. 196800586R)

(Incorporated in the Republic of Singapore)

**Response to queries raised by Singapore Exchange Securities Trading Limited
on Second Quarter and Half Year Results Announcement**

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 23 February 2021 in relation to the Company's announcement dated 4 February 2021 regarding the Group's results for the second quarter and half year ended 31 December 2020.

SGX-ST's Query 1:

It is noted that the Company has a net cash outflow from operating activities of S\$1.075 million and a net profit of S\$606,000 for the half year ended 31 December 2020. Please explain why the Company is unable to generate net cash inflow from its operating activities, despite the Company's net profit position for the financial period.

The Company's Response

Despite a net profit of S\$606,000 that was generated for the half year ended 31 December 2020, a net cash of S\$1.1 million was used in operating activities, mainly due to the purchase of inventories of S\$1.4 million. Additionally, the interest income of S\$0.5 million was adjusted to investing activities.

SGX-ST's Query 2:

Please disclose a breakdown of trade and other payables amounting to S\$2.4 million as at 31 December 2020. For other payables, please disclose the identity of the counterparties, the aging and nature of these other payables.

The Company's Response

Trade and other payables mainly comprise trade payables S\$0.7 million, other payables S\$0.7 million and accruals S\$1.0 million. Other payables include dividend payable amounting to S\$217,000, the remaining are payables to Malaysian creditors which providing services such as transportation, material handling, labors etc. Other payables excluding dividend payables, are 30 days credit term, 90% of them aged less than 60 days.

BY ORDER OF THE BOARD
LION ASIAPAC LIMITED

Lah Ling San
Company Secretary

Singapore, 24 February 2021