



LION ASIAPAC LIMITED
(CO. REG. NO. 196800586R)

2021

ANNUAL REPORT





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Corporate Information

Board of Directors

Sam Chong Keen, Chairman
Loh Kgai Mun, Executive Director
Tan Sri Cheng Heng Jem
Cheng Theng How
Dr Chua Siew Kiat
Lee Whyay Keong

Audit Committee

Sam Chong Keen, Chairman
Cheng Theng How
Dr Chua Siew Kiat

Nominating Committee

Sam Chong Keen, Chairman
Cheng Theng How
Dr Chua Siew Kiat

Remuneration Committee

Sam Chong Keen, Chairman
Cheng Theng How
Dr Chua Siew Kiat

Company Secretaries

Lah Ling San
Silvester Bernard Grant

Registered Office

10 Arumugam Road
#10-00 LTC Building A
Singapore 409957
Tel: +65 6632 0500
Fax: +65 6747 9493
Website: www.lionasiapac.com

Share Registrar

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel: +65 6593 4848
Fax: +65 6593 4847



Independent Auditor

RSM Chio Lim LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095
Tel: +65 6533 7600
Fax: +65 6538 7600

Partner-in-charge:
Eu Chee Wei David
(since financial year 2020)

Principal Banker

Malayan Banking Berhad
2 Battery Road
16th Floor, Maybank Tower
Singapore 049907

Lawyer

WongPartnership LLP
12 Marina Boulevard Level 28
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: +65 6416 8000
Fax: +65 6532 5711

Chairman's Message

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report for the financial year ended 30 June 2021.

With the worsening condition of the COVID-19 pandemic, the Group continues to face uncertainty in our business outlook and difficulties in our business operations. Furthermore, the gloomy market situation, where the Group operates, continues to pose an uphill task for our sales and profit margin.

Financial Performance

Revenue was recorded at S\$19.3 million, up by 15% from last year, comprising S\$17.1 million from lime manufacturing and S\$2.2 million from steel trading. The Group's profit stood at S\$0.9 million, compared with S\$0.5 million last year.

Financial Position

The balance sheet remains healthy, with working capital of S\$72.2 million and net assets of S\$77.1 million at year-end.

Dividend

The Board is pleased to propose a final dividend of 1 cent per ordinary share (tax-exempt one-tier) for the financial year ended 30 June 2021, subject to shareholders' approval at the upcoming annual general meeting.

Looking Ahead

As the COVID-19 pandemic wears on, it ushered in the opportunity for us to rethink how we operate. The next normal is going to be different. We will continue to exercise caution in navigating these difficult times.

Acknowledgement

Finally, I would like to express my appreciation to the management and staff for their dedication and hard work and our customers, suppliers, business associates for their partnership. I would also like to thank my Board colleagues for their considerable contribution.

Above all, I would like to thank our loyal shareholders for their ongoing support during this challenging period and look forward to a successful 2022.

Sam Chong Keen

Chairman

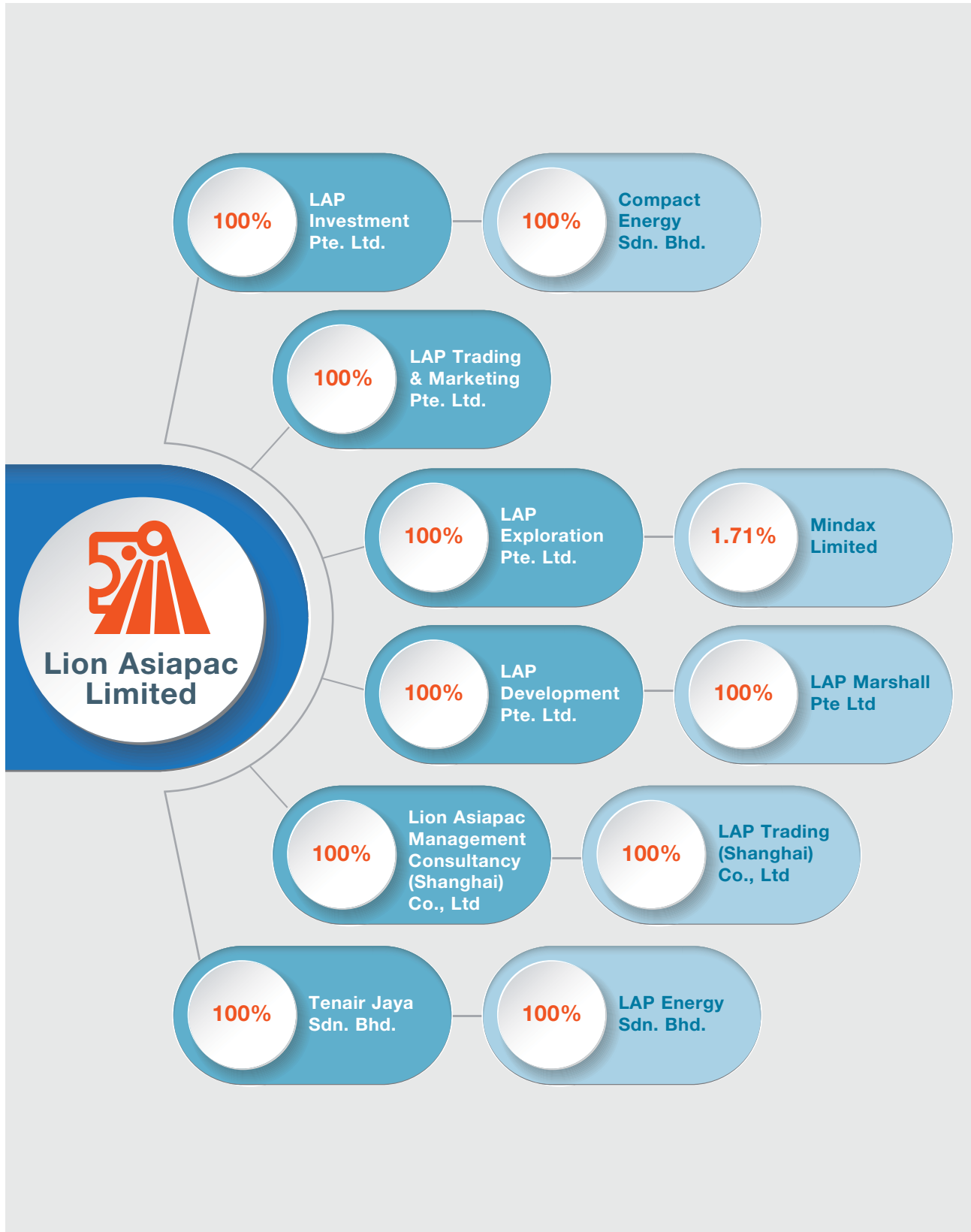


Chairman's Message



Corporate Structure

As at 30 June 2021



Board of Directors



SAM CHONG KEEN Chairman & Independent Director

Mr Sam Chong Keen, an Independent Director of the Company, assumed the position of Chairman of the Board on 8 May 2017. He also chairs the Audit Committee, Nominating Committee and Remuneration Committee.

Appointed to the Board on 22 February 1997, Mr Sam served as the Company's Managing Director till 31 May 2002. Concurrently, he was the Chief Executive Officer and Executive Vice-Chairman of LTC Corporation Limited. Mr Sam was last re-elected as a Director of the Company on 31 October 2018 and will be seeking for re-election at the forthcoming 51st Annual General Meeting to be held on 30 November 2021.

Mr Sam has a wealth of management experience, having held senior/CEO positions in the Singapore Government Administrative Service, National Trades Union Congress (NTUC), Intraco Ltd, Comfort Group Ltd, VICOM Ltd, A-Smart Holdings Ltd ("A-Smart") (formerly known as Xpress Holdings Ltd), Jade Technologies Holdings Ltd and Sino-Environment Technology Group Limited.

Mr Sam was the Political Secretary to the Minister for Education from 1988 to 1991. He has served on various government boards and committees, including the Central Provident Fund Board and the National Co-operative Federation.

Mr Sam currently sits on the boards of other public listed companies. He is an independent director in A-Smart and Parkson Retail Asia Limited and chairman of Stamford Tyres Corporation Ltd.

Mr Sam holds a Bachelor of Arts (Engineering Science and Economics) (Honours) degree and a Master of Arts degree from the University of Oxford, as well as a Diploma from the Institute of Marketing, United Kingdom.



LOH KGAI MUN Executive Director

Mr Loh Kgai Mun joined the Board as an Executive Director on 8 August 2008. He was last re-elected as a Director of the Company on 30 October 2020.

He has a wealth of management experience in multi-national organisations as well as listed companies. Prior to 2008, he was the Group General Manager of the Company and oversaw financial, operational and compliance matters of the Group. Mr Loh joined the Lion Group as the Financial Controller of its Telecommunications division. Concurrently, he also headed the Group Internal Audit and Group Information Technology divisions in Singapore.

Currently, he also sits on the board of Mindax Limited, a company listed on the Australian Securities Exchange, as an Independent Director and Chairman of the Audit Committee.

Mr Loh holds a Masters Degree in Business Administration from the University of Edinburgh Business School, and is an Associate Member of the Institute of Chartered Accountants in England and Wales.

Board of Directors



TAN SRI CHENG HENG JEM Non-Executive Director

Tan Sri Cheng Heng Jem joined the Board as a Non-Executive Director on 7 September 2010. He was last re-elected as a Director of the Company on 31 October 2019.

Tan Sri Cheng has more than 48 years of experience in the business operations of the Lion Group encompassing retail, branding, food and beverage, credit financing and money lending services, property development, mining, manufacturing, steel, tyre, motor, agriculture and computer industries.

Tan Sri Cheng was the President of The Associated Chinese Chambers of Commerce and Industry of Malaysia (“ACCCIM”) and The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor (“KLSCCCI”) from 2003 to 2012 and is now a Life Honorary President of ACCCIM and KLSCCCI. Tan Sri Cheng was also the President of Malaysia Retailers Association (“MRA”) from August 2014 to May 2018 and in June 2018, he was appointed an Honorary President of MRA. He is a Trustee of ACCCIM’s Socio-Economic Research Trust, the President of Malaysia Steel Association, and was appointed the Chairman of the Federation of Asia-Pacific Retailers Associations in October 2017.

Tan Sri Cheng is currently the Chairman and Managing Director of Parkson Holdings Berhad, and also the Chairman of Lion Posim Berhad, both of which are public listed companies in Malaysia. He is also a Founding Trustee and Chairman of The Community Chest in Malaysia, a company limited by guarantee incorporated for charity purposes.

Tan Sri Cheng is also the Chairman of Parkson Retail Asia Limited and Parkson Retail Group Limited, which are public listed companies in Singapore and Hong Kong respectively.



CHENG THENG HOW Non-Executive Director

Mr Cheng Theng How joined the Board as a Non-Executive Director on 22 February 1997. He also serves as a member of the Audit Committee, Nominating Committee and Remuneration Committee. He was last re-elected as a Director of the Company on 30 October 2020.

Mr Cheng is currently the General Manager and Director of Angkasa Daehan Steel Pte Ltd, which distributes steel and iron products, since 1994. Prior to that, he served as the Assistant General Manager (Production) of Amalgamated Steel Mills Berhad.

Mr Cheng was also an Executive Director of Antara Steel Mills Sdn Bhd, a subsidiary of Lion Industries Corporation Berhad which is a public listed company in Malaysia, from 2006 to 2019.

Mr Cheng holds a Diploma in Mechanical Engineering from Singapore Polytechnic.

Board of Directors



DR CHUA SIEW KIAT Independent Director

Dr Chua Siew Kiat joined the Board as an Independent Director on 8 May 2017. He also serves as a member of the Audit Committee, Nominating Committee and Remuneration Committee. Dr Chua was last re-elected as a Director of the Company on 31 October 2019.

Dr Chua is currently the Managing Director of Ban Seng Guan Sdn Bhd (“BSG”), which is involved in the trading and distribution of fertilizer and feed products. Prior to joining BSG in 1996, Dr Chua held senior engineering positions in several engineering and consulting companies in the defence and automotive industries in the USA.

Dr Chua holds a Bachelor of Science (BSc) degree in Mechanical Engineering from the University of Western Ontario, Canada. He also holds a Master of Science (MSd), as well as a Doctorate (PhD) from the California Institute of Technology, USA.



LEE WHY KEONG Non-Executive Director

Mr Lee Why Keong joined the Board as a Non-Executive Director on 7 September 2010. He was last re-elected as a Director of the Company on 31 October 2018 and will be seeking for re-election at the forthcoming 51st Annual General Meeting to be held on 30 November 2021.

Mr Lee is currently the Personal Assistant to the Group Executive Director (“GED”), since he joined The Lion Group in 1992. His responsibilities include advising and assisting the GED on governmental, corporate, strategic, joint venture, accounting and corporate finance issues.

Mr Lee’s main duties also involve assisting the GED in overseeing some of The Lion Group’s subsidiaries and in the acquisitions and divestments of businesses and companies of The Lion Group. Since 2009, he is overseeing PT Kebunaria, a plantation company in Indonesia.

Mr Lee is currently the Commissioner of PT Lion Metal Works Tbk, which is a public listed company in Indonesia.

Mr Lee holds a Bachelor of Science (Honours) degree and a Diploma in Education from the University of Malaya, and a Master of Business Administration (Banking and Finance) from North Texas State University.

Management Team

WONG MIN SEONG Assistant General Manager – Lime Manufacturing Division

Mr Wong Min Seong joined Compact Energy Sdn Bhd in 2007 as its Assistant General Manager. He heads the operations of the Group's lime manufacturing plants in Malaysia.

From 2004 to 2007, Mr Wong served as the Assistant General Manager at Megasteel Sdn Bhd, and oversaw its limekiln project. Prior to that, he was the Plant Manager at Natsteel Chemicals (M) Sdn Bhd, and was responsible for quicklime production and maintenance of plant and machinery.

Mr Wong holds a Class 2 Engineer Certificate of Competency Examination (equivalent to a Bachelor Degree) from Jabatan Laut Malaysia, and a Diploma in Marine Mechanical Engineering from Polytechnic Ungku Omar, Ipoh.

FAN HONGBO Finance Manager – Corporate Division

Mr Fan Hongbo joined the Group in 2013 as Finance Manager, and is responsible for financial accounting and reporting, treasury control and taxation of the Group.

Prior to joining the Group, he was the Group Accounts Manager at Kineryg Ltd since 2011. He started his career as an Audit Associate at Moore Stephens LLP in 2007, and left as its Assistant Audit Manager.

Mr Fan holds a Masters Degree in Business Administration from the University of Strathclyde and is a member of the Institute of Singapore Chartered Accountants, and also a member of the Association of Chartered Certified Accountants.

LAH LING SAN Company Secretary – Corporate Division

Ms Lah Ling San joined the Group in 2018 as Company Secretary, and is responsible for corporate secretarial matters of the Group. She manages the Group's compliance with the company laws, SGX-ST listing rules and other applicable regulations, as well as investor relations.

From 2016 to 2018, Ms Lah served as the Corporate Secretarial Manager for Tuan Sing Holdings Limited and SP Corporation Limited. Prior to that, she was the Corporate Secretarial Manager at Yeo Hiap Seng Limited ("YHS"). Before she joined YHS in 2011, Ms Lah was the Legal & Secretarial Executive at Far East Orchard Limited. Ms Lah started her career with a corporate secretarial servicing firm in 2001.

Ms Lah is an Associate Member of the Chartered Secretaries Institute of Singapore.

Financial Highlights

Consolidated Statement of Comprehensive Income

	30 June 2021	30 June 2020
	S\$'000	S\$'000
Continuing Operations		
Revenue		
– Lime manufacturing	17,130	16,826
– Steel consumables trading	2,196	–
	19,326	16,826
Profit before income tax	1,076	680
Total profit	937	541
Segmental result		
– Lime manufacturing	–	(179)
– Steel consumables trading	(757)	(915)
– Investment holding/others	(513)	(639)
	(1,270)	(1,733)

Statement of Financial Position

	30 June 2021	30 June 2020
	S\$'000	S\$'000
Current assets	75,476	73,318
Current liabilities	(2,922)	(2,926)
Net current assets	72,554	70,392
Property, plant and equipment	2,393	2,289
Right-of-use assets	1,277	1,222
Other financial assets	2,265	–
Non-current liabilities	(1,405)	(1,412)
Net assets	77,084	72,491
Represented by:		
Shareholders' equity	77,084	72,491
Shareholders' funds	77,084	72,491

	30 June 2021	30 June 2020
	(cents)	(cents)
Earnings per share (basic and diluted)	1.16	0.67
Net asset value per ordinary share	95.04	89.38
Interim dividend per ordinary share	–	5.00
Final dividend per ordinary share	1.00	–

Corporate Governance Report

Lion Asiapac Limited (the “Company”) considers the maintenance of a high standard of corporate governance as absolutely paramount and is committed to corporate self-regulatory practices in protecting the interests of its shareholders.

Under Rule 710 of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual, this report describes the Company’s corporate governance processes and activities which are in compliance with the principles and guidelines of the Code of Corporate Governance 2018 (the “Code”) and an explanation is provided where there is a deviation from any guideline of the Code.

BOARD MATTERS

Principle 1 – The Board’s Conduct of Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Principal Duties of the Board

Apart from its statutory duties, the Board is responsible for the overall strategy and direction of the Group. It provides entrepreneurial leadership, sets strategic aims, considers sustainability issues, and ensures that the necessary financial and human resources are in place for the Company to meet its objectives. It also ensures that the Company’s strategies are in the interests of the Company and its shareholders.

The Board supervises executive management and reviews management performance. It establishes a framework of prudent and effective controls that enables risks to be assessed and managed, including safeguarding shareholders’ interests and the Group’s assets. It sets the Company’s values and standards, identifies the key stakeholder groups, and recognises that their perceptions affect the Company’s reputation, ensuring that obligations to shareholders and other stakeholders are understood and met.

Board Orientation and Training

A formal letter of appointment, setting out the duties and obligations, is provided to the new director upon appointment. As part of induction, information on the Group’s structure, business operations, and governance policies and practices are provided. In addition, new directors will have the opportunity to visit the Group’s manufacturing plants for a greater appreciation of its operations.

During the financial year, no new directors were appointed to the Board.

The Board is routinely updated on pertinent developments in the business, including changes in laws and regulations, code of corporate governance, financial reporting standards, and industry-related matters, to discharge its duties effectively. In addition, the Company will fund directors’ participation at industry conferences, seminars, or any training programme conducted by external professionals, to allow them to continue fulfilling their roles as Board members and Committee members effectively.

Corporate Governance Report

Matters Requiring Board Approval

The Board reviews and approves strategic plans, key operational and financial matters, major acquisition and divestment plans, major expenditure projects, and funding decisions. Directors who have a potential conflict of interest in a particular transaction is abstained from participating in the relevant Board discussions and decisions.

Delegation by the Board

To facilitate effective management, the Board delegates certain functions to the Nominating Committee (“NC”), Remuneration Committee (“RC”) and Audit Committee (“AC”), each of which has its own terms of reference setting out the scope of its duties and responsibilities, and procedures governing the manner in which it is to operate and how decisions are to be taken. Any change to the terms of reference for any Board committees requires Board approval.

Board and Board Committees Meetings and Attendance Records of the Board Members

The Board and its committees met regularly based on schedules planned one year ahead to ensure maximum attendance by all participants. Additionally, the Company’s Constitution provides for the directors to participate in the meetings by electronic means or telephone in the circumstances that directors are unable to attend meetings in person.

The number of meetings attended by the directors during the financial year ended 30 June 2021 is set out as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	General Meeting
Number of meetings held:	5	7	1	1	1
Number of meetings attended:					
Sam Chong Keen	5	7	1	1	1
Loh Kgai Mun	5	n.a.	n.a.	n.a.	1
Tan Sri Cheng Heng Jem	3	n.a.	n.a.	n.a.	1
Cheng Theng How	5	7	1	1	1
Dr Chua Siew Kiat	5	7	1	1	1
Lee Whay Keong	5	n.a.	n.a.	n.a.	1

Access to Information

The directors are provided with complete and adequate information promptly by management. To facilitate informed decision making, explanatory notes or reports on major operational, financial and corporate issues, together with copies of disclosure documents and/or financial statements, are circulated to the directors at least one week prior to the meetings.

Corporate Governance Report

Access to Management, Company Secretary, and Professional Advice

All directors have direct access to the senior management of the Company (“Management”) and the company secretary (the “Secretary”). The Secretary ensures that Board procedures are followed and that applicable rules and regulations are complied with. She also manages the Group’s compliance with the requirements of the Companies Act, rules of the SGX-ST Listing Manual, and other applicable regulations. In addition, the Secretary facilitates information flows between the Board and its committees and between Management and the Board, and where necessary, manages orientations and assists in professional development. During the financial year ended 30 June 2021 (“FY 2021”), the Secretary attended all meetings of the Board and Board committees, with all the associated minutes circulated subsequently. The appointment and removal of the Secretary are subject to the approval of the Board.

Other than the access to Management, if necessary, arrangements will be made for the directors to obtain independent professional advice at the Company’s expense.

Principle 2 – Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Structure of the Board

The Board comprises six directors, two of whom are independent, and one holds an executive position.

The members of the Board are as follows:

<u>Executive</u>	<u>Non-Executive</u>	
Loh Kgai Mun	Sam Chong Keen	(Chairman, Independent Director)
	Dr Chua Siew Kiat	(Independent Director)
	Tan Sri Cheng Heng Jem	
	Cheng Theng How	
	Lee Whay Keong	

The NC conducted its annual review of the directors’ independence and was satisfied that the Company complies with the guidelines of the Code, which provide that a majority of the Board is made up of non-executive directors. The Company also complies with SGX-ST’s Listing Rule 210(5)(c), which requires independent directors to comprise at least one-third of the Board.

Corporate Governance Report

Independence of Directors

The NC determines the independence of a director annually, taking into account the criteria and circumstances set out in SGX-ST Listing Manual, the Code, and the complementary practice guidance (“Practice Guidance”). Each director is required to complete a Director’s Independence Checklist drawn up based on the guidelines in the SGX-ST Listing Manual, the Code and the Practice Guidance and needs to confirm whether he is independent despite not having any relationships as set out in the Code or Practice Guidance which could deem him to be non-independent. Subsequently, the NC reviews the completed checklists to assess the independence of the directors and recommends its assessment to the Board. If there is any change in the relationship with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the Company, the director is required to notify the Company immediately. No director is involved in the NC’s and Board’s discussions on and determination of his own independence.

For FY 2021, the NC has reviewed the forms on confirmation of independence completed by each director. Both independent non-executive directors, Dr Chua Siew Kiat and Mr Sam Chong Keen, have confirmed their independence. In view of the confirmation provided by Dr Chua and Mr Sam, and taking into account among others, their past performance and contributions on the Board and Board Committees, the NC has assessed and considered Dr Chua and Mr Sam to be independent directors.

Independent Non-Executive Directors who have served beyond Nine Years

The continued independence of directors who have served more than nine years is subject to particularly rigorous review. Such measures will enable the Board to have an independent and objective perspective, to allow balanced and well-considered decisions to be made. As at the date of this document, Mr Sam has served on the Board for more than nine years. The NC, with the concurrence of the Board, is of the view that a director’s independence cannot be determined solely based on his length of service. Instead, the substance of a director’s professionalism, integrity, and objectivity is also of utmost importance and a holistic approach should be taken in the assessment of a long-serving director’s continued independence. During the past financial year, Mr Sam has expressed personal views and objectively scrutinised and debated issues at Board and Board committee meetings having regard to the interests of non-controlling shareholders, in particular on matters concerning interested parties such as the aging status of trade receivables, credit limits, and approval thresholds for trade receivables transactions. In addition, he has also demonstrated independent-mindedness and conduct at Board and Board committee meetings and has shared valuable opinions with Management when discussing business development and potential investment opportunities given his wealth of experience and knowledge of the business and operating environment of the Group. The Board opines that Mr Sam has over time developed significant and in-depth insights into the Group’s businesses and could continue to provide valuable contribution and exercise independent judgment in the best interests of the Company. Therefore, after a thorough and rigorous review, the NC and the Board are of the view that notwithstanding that Mr Sam has served on the Board for more than nine years, he is still considered to be independent for the purposes of the SGX-ST Listing Manual and the Code. Mr Sam has recused him from all discussions and decisions of the NC and the Board in relation to the assessment of his independence.

Corporate Governance Report

Independent Non-Executive Directors who have served beyond Nine Years (Cont'd)

In view of the foregoing, the NC and the Board has recommended that the requisite shareholders' approvals for Mr Sam's continued appointment as an independent director beyond 31 December 2021 be sought under the mandatory two-tier voting process at the 2021 annual general meeting ("2021 AGM") in accordance with SGX-ST's Listing Rule 210(5)(d)(iii) which will take effect from 1 January 2022. Such approvals if obtained, will remain valid until the conclusion of the third annual general meeting following such approvals. If the requisite approvals are not obtained at the 2021 AGM for Mr Sam to continue as an independent director beyond 31 December 2021, but he is re-elected as a director, it is intended that Mr Sam will continue to serve as an independent director until 31 December 2021, and be re-designated as a non-independent, non-executive director with effect from 1 January 2022, given his breadth and depth of business experience which will continue to be beneficial to the Group. In such instance, the Company will take steps to ensure compliance with the relevant requirements under the SGX-ST Listing Manual and the Code in relation to the composition of the Board and the Board Committees.

Board Composition and Size

The NC conducted its annual review on the size and composition of the Board, which comprises members from different backgrounds and whose core competencies, qualifications, skills, and experiences are extensive. Considering the scope and nature of the operations of the Group, the Board is of the view that the current Board size is appropriate to facilitate effective decision making.

A summary of the composition of the Board and its committees is set out below:

Name	Status	Board	Audit Committee	Nominating Committee	Remuneration Committee
Sam Chong Keen	NED, ID	C	C	C	C
Loh Kgai Mun	ED, NID	M	-	-	-
Tan Sri Cheng Heng Jem	NED, NID	M	-	-	-
Cheng Theng How	NED, NID	M	M	M	M
Dr Chua Siew Kiat	NED, ID	M	M	M	M
Lee Whay Keong	NED, NID	M	-	-	-

Legend:

C: Chairman ED: Executive Director ID: Independent Director
M: Member NED: Non-Executive Director NID: Non-Independent Director

Competency of the Board

The current Board composition provides an appropriate and diverse mix of skills and experiences to serve the Group competently and efficiently. The directors have core competencies in accounting and finance, business and management expertise, industry knowledge, and strategic planning experience.

Board performance is evaluated based on its size, composition, processes, and accountability. The NC is of the view that quantitative criteria, namely financial ratios, provide a snapshot of a company's performance rather than board performance. There are no concrete performance criteria that address how the Board has enhanced long-term shareholder value.

Corporate Governance Report

Competency of the Board (Cont'd)

The NC has put in place an annual board performance evaluation exercise in the form of a questionnaire for completion by each director. The questionnaire results are collated, and the findings are reviewed by the NC and reported to the Board. The Board was satisfied with the results of the assessment for FY 2021.

Details of the directors' qualifications, background, and working experience are set out under the "Board of Directors" section of this Annual Report.

Board Diversity

Currently, the Company does not have a board diversity policy. In identifying suitable candidates for a new appointment to the Board, the NC will give equal considerations to all female candidates. However, other than gender, the NC and the board of directors will consider different dimensions of diversity, such as age, geography, skills, knowledge, and experience. New directors will continue to be selected based on merit, considering the candidates' contributions to the Board and the process for new Board appointments and Board succession planning.

Meetings of Non-Executive Directors

The Non-Executive Directors constructively challenge, help develop proposals on strategy, review the performance of Management in meeting agreed goals and objectives, and monitor performance reporting. Where necessary, Non-Executive Directors will meet for discussion without the presence of Management.

Principle 3 – Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Separation of the Role of Chairman and Executive Director

The positions of Chairman of the Board and the Executive Director are held by separate individuals to maintain effective oversight and accountability at Board and Management levels. As Chairman of the Board, Mr Sam Chong Keen manages the business of the Board and leads the meetings to ensure complete discussion of all agenda items. Whilst Mr Loh Kgai Mun, as the Executive Director, provides stewardship for the overall operations and resources of the Group's businesses.

There is no familial relationship between the Chairman and the Executive Director.

Roles and Responsibilities of Executive Director

The Executive Director oversees the day-to-day operations of the Group and is responsible for the execution and management of the Group's strategy as set by the Board. He updates the Board on pertinent developments in the Group's business, as well as identifies, assesses, and advises the Board of any material internal and external issues that may affect the Group. Save for the meetings of the Board and shareholders, during FY 2021, Mr Loh also attended all the meetings convened by Board committees.

Corporate Governance Report

Roles and Responsibilities of Chairman

The Chairman is responsible for the management of the Board. He leads the Board to ensure the effectiveness of all aspects of its role and promotes a culture of openness and debate at the Board. Mr Sam sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. In addition, he facilitates the effective contribution of Non-Executive Directors and encourages constructive relations within the Board and between the Board and Management.

The Chairman convenes Board meetings as and when necessary, manages the Board proceedings, and ensures that the Board members are provided with complete, timely, and adequate information. He also ensures compliance with the Company's guidelines on corporate governance.

Lead Independent Director

The Code prescribes that the Board appoints a lead independent director to lead and coordinate the activities of non-executive directors, *inter alia*, in situations where the Chairman is conflicted. However, having considered the current business operations and the Chairman of the Company, whom is also an independent director, the NC and the Board are of the view that the appointment of a lead independent director is not necessary.

The Board and Management are always accessible to the Company's shareholders. Therefore, the absence of a lead independent director has not impacted and is not expected to impact the communication between the Board and the shareholders or other stakeholders of the Company.

Principle 4 – Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC Membership and Responsibilities

The NC comprises three directors, all of whom are non-executive, and two of whom, including the Chairman, are independent. The NC met once during the financial year.

Sam Chong Keen	(Chairman, Independent Director)
Dr Chua Siew Kiat	(Independent Director)
Cheng Theng How	(Non-Executive Director)

The NC makes recommendations to the Board on relevant matters relating to:

- (a) the review of board succession plans for directors, in particular, the Chairman and for the Executive Director, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in future;

Corporate Governance Report

NC Membership and Responsibilities (Cont'd)

- (b) the development of a process for evaluating the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board, and to propose objective performance criteria;
- (c) the review of training and professional development programs for the Board; and
- (d) the appointment and re-appointment for directors, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills, and experience required.

The NC also ensures compliance with the provisions of the Constitution, which stipulates that at each annual general meeting (“AGM”), every director is to retire from office by rotation at least once every three years and may stand for re-election.

With the NC’s recommendation, the Board has agreed for the following directors to retire by rotation and seek re-election at the 2021 AGM:

- (a) Mr Lee Whay Keong; and
- (b) Mr Sam Chong Keen.

Both Mr Lee and Mr Sam have consented for re-election, and their re-election resolutions would be tabled for re-election at the 2021 AGM.

Under Rule 210(5)(d)(iii) of the SGX-ST Listing Manual, Mr Sam Chong Keen, having served on the Board beyond nine years from the date of his first appointment, will not be considered an Independent Director on 1 January 2022 unless his continued appointment as an Independent Director is approved in separate resolutions by (i) all Shareholders and (ii) Shareholders, excluding the directors, the chief executive officer, and their associates (as defined in the SGX-ST Listing Manual) at the 2021 AGM.

Additional information on directors standing for re-election at the 2021 AGM is set out on pages 135 to 147 of this Annual Report.

Nomination and Selection of Directors

The NC is responsible for making recommendations to the Board on the appointments and re-appointments of directors. The individual’s calibre, stature, competencies, commitment, contribution, and performance are being considered, where board positions are concerned, the composition and progressive renewal of the Board are also evaluated.

The NC reviews a potential candidate’s background, qualifications, experience, skill sets, and ability to contribute, before making a recommendation to the Board. It will endeavour to ensure that the candidates selected, regardless of gender and age, possess the relevant background, experience, and knowledge, as well as business, finance, and management skills critical to the Company’s business.

Corporate Governance Report

Continuous Review of Directors' Independence

Annually, each director must declare his independence on a checklist based on the guidelines provided in the Code and the Practice Guidance. The NC has reviewed the declarations and is satisfied with the independence of the directors. In addition, the NC is committed to reassessing each Director's independence as and when warranted.

Commitments of Directors Sitting on Multiple Boards

The Board has not established the maximum number of listed company board representations that a director may hold, as it believes that the directors have different capabilities. The nature of the organisations in which they hold appointments are of various complexities. Directors who have multiple board representations and principal commitments are required to ensure the demands of their obligations and the number of directorships they hold will not undermine their ability to dedicate sufficient time and attention to serve the Company effectively. Each director must update the Company of any changes in his external directorships, which will be noted at Board meetings. The NC reviews and determines whether each director is able to, and has been, adequately carrying out his duties as director of the Company, having considered his other listed company board representations and principal commitments.

Appointment of Alternate Directors

During FY 2021, the Company had no alternate directors on its Board.

Principle 5 – Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board evaluation process, Board performance criteria, and individual Director evaluation

The Company implemented a formal process to annually evaluate the performance and effectiveness of the Board as a whole, the contribution by the Chairman and each director to the Board. During the financial year, the Company did not engage an external facilitator for the Board evaluation process.

All directors completed an Assessment Form, assessing the effectiveness of the Board. Criteria include the size of the Board, degree of independence, information flow from Management, adequacy of the Board and Board committees' meetings, accountability, and the Board's conduct.

Besides, each director is appraised by their fellow colleague on the Board in terms of contributions made, degree of preparedness, business knowledge and experience, level and quality of involvement during the financial year, the intensity of participation at meetings, and quality of interventions and interactive skills.

The Chairman will utilise the evaluation outcome as a reference to review the Board's composition and its committees' structure, and in consultation with the NC, to assess the effectiveness of the Board's oversight of the Company. The finding of the evaluation is made known to each member of the Board.

Corporate Governance Report

REMUNERATION MATTERS

Principle 6 – Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

RC Composition

The RC comprises three directors, all of whom are non-executive and two of whom, including the Chairman, are independent. The RC met once during the financial year.

Sam Chong Keen	<i>(Chairman, Independent Director)</i>
Dr Chua Siew Kiat	<i>(Independent Director)</i>
Cheng Theng How	<i>(Non-Executive Director)</i>

It reviews and makes recommendations for a directors' remuneration framework to the Board. The RC's responsibilities and duties cover all aspects of remuneration, including directors' fees, salaries, allowances, bonuses, share-based incentives, and benefits-in-kind.

A director is to abstain from the voting, recommendation, or approval of his own remuneration.

RC's access to advice on remuneration matters

During the financial year, the RC did not require the services of an external remuneration consultant. Nevertheless, the RC has explicit authority to seek external expert advice should such need arise, at the Company's expense.

Principle 7 – Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration of Executive Director and key management personnel

When structuring the remuneration framework, the RC ensures that the remuneration of the Executive Director's and key management staff is linked to the Company's relative performance and individual performance. It considers the Group's financial health and business needs, and aligns with the interests of the shareholders, and promotes the Company's long-term success. The RC also takes account of risk policies of the Group, be symmetric with risk outcomes, and is sensitive to the time horizon of risks.

Corporate Governance Report

Remuneration of Executive Director and key management personnel (Cont'd)

The RC determines a specific remuneration package for the Executive Director according to a remuneration framework comprising basic salary, bonus, and benefits-in-kind. The annual bonus is a variable component based on the performance of the Group and the individual. The RC reviewed such a remuneration framework yearly and recommended it to the Board for approval.

For FY 2021, the RC is satisfied that the performance-related bonus granted to the Executive Director was reflective of his performance and contribution, taking into account the extent to which his performance conditions were met.

The Company does not have any share-based compensation scheme or any long-term incentive scheme involving the offer of shares or options for the Executive Director and key management personnel. Besides, the service contracts of the Executive Director and key management personnel of the Group also do not contain any onerous termination clauses.

Remuneration of Non-Executive Directors

The Non-Executive Directors are remunerated with directors' fees, which are set on an annual basis and under a remuneration framework comprising basic fees, committee fees, and attendance fees. Before recommending to the Board, the RC ensures that the remuneration is appropriate and not excessive, taking into account the directors' effort, time spent, and responsibilities. There are no schemes in place to encourage Non-Executive Directors to hold shares in the Company. The aggregate directors' fees for each financial year are subject to shareholders' approval at the AGM.

Contractual provisions to reclaim incentive components of remuneration

In the exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss, there are no contractual provisions that allow the Group to recover incentive components of remuneration from the Executive Director or key management personnel. The RC will seek expert advice as and when necessary.

Corporate Governance Report

Principle 8 – Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Details on the remuneration of directors and key management personnel for FY 2021 are presented below.

Remuneration of Directors

Remuneration paid to the directors of the Company for FY 2021 is set out in bands of S\$250,000. For competitive and sensitive reasons, remuneration paid to the Executive Director and members of the Board are not disclosed in detail.

Name of Director	Remuneration Band	Salary	Bonus	Directors' Fees	Total
Loh Kgai Mun	S\$250,000 to below S\$500,000	74%	26%	--	100%
Sam Chong Keen	Below \$250,000	–	–	100%	100%
Tan Sri Cheng Heng Jem		–	–	100%	100%
Cheng Theng How		–	–	100%	100%
Dr Chua Siew Kiat		–	–	100%	100%
Lee Whay Keong		–	–	100%	100%

Remuneration of Top Five Key Management Personnel

The aggregate remuneration paid to the top five key management personnel of the Group (who are not directors or the Executive Director) for FY 2021 amounted to S\$451,070. For competitive and sensitive reasons, remuneration paid to the individual key management personnel is not disclosed.

Remuneration of employees who are substantial shareholders of the Company, or are immediate family members (i.e. spouse, child, adopted child, step-child, brother, sister and parent) of a director, the Executive Director or a substantial shareholder of the Company

There were no employees of the Group who are a substantial shareholder of the Company or an immediate family member of any of the directors or the Executive Director or a substantial shareholder of the Company, whose remuneration exceeds S\$100,000 in the financial year under review.

Other payments and benefits paid by the Company and its subsidiaries to directors and key management personnel

During FY 2021, there were no terminations, share-based incentives, retirements, or post-employment benefits, granted to the directors, the Executive Director, or the key management personnel.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT

Principle 9 – Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

It aims to provide a balanced and fair assessment of the Group's performance, position, and prospects to shareholders through announcements of quarterly and full-year financial statements and other material corporate developments in a timely manner.

Directors are provided with management accounts and related information on a regular basis and from time to time as they are required. In addition, the Board ensures that adequate steps are taken to comply with legislative and regulatory requirements, including requirements under the listing rules of the SGX-ST.

Risk Management and Internal Control System

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the assets of the Group.

It also determines the Company's levels of risk tolerance and risk policies and oversees management in their design, implementation, and monitoring of the risk management and internal control systems.

A risk management framework, which Management has put in place, where key risks, namely financial, operational, compliance, and information technology risks, are identified and addressed.

Once a year, a review of the framework is conducted to evaluate risks and adequacy, and effectiveness of the Group's internal control system. The identification and management of risks are delegated to Management, who assumes ownership and responsibilities. Management is responsible for implementing risk management strategy, including the establishment of corporate policies and processes.

The Board acknowledges that the system established by Management is designed to manage, rather than eliminate, the risk of failure in achieving the Company's strategic objectives. Hence, it recognises that the system is designed to provide reasonable assurances but not an absolute guarantee against material misstatement or loss.

For FY 2021, the Executive Director and Finance Manager have provided written assurance to the Board that (i) the financial records have been properly maintained, (ii) the financial statements give a true and fair view of the Group's operations and finances, and (iii) the Group's risk management and internal control systems are adequate and effective in providing reasonable assurances.

Corporate Governance Report

Risk Management and Internal Control System (Cont'd)

Based on the risk management and internal control systems established and maintained by the Group, work performed by the internal auditor, statutory audit undertaken by the external auditor, and reviews conducted by the Executive Director and Management, as well as the signed letter of opinion by the Executive Director and Finance Manager of the Company, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems were effective and adequate as at 30 June 2021 to address the financial, operational, compliance and information technology risks of the Group.

Principle 10 – Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

AC Composition

The AC comprises three directors, all of whom are non-executive and two of whom, including the Chairman, are independent.

Sam Chong Keen	<i>(Chairman, Independent Director)</i>
Dr Chua Siew Kiat	<i>(Independent Director)</i>
Cheng Theng How	<i>(Non-Executive Director)</i>

The expertise of AC Members

Members of the AC, having held senior positions in various industries and sectors, collectively possess a wealth of management experience, including *inter alia*, accounting, and finance. Accordingly, the Board believes that all members of the AC, being reviewed on an annual basis, are appropriately qualified to discharge their responsibilities.

Roles, Responsibilities, and Authority of AC

As set out in the Code and the Practice Guidance and duties, the AC carries out the functions in its terms of reference. These include:

- (a) reviewing the significant financial reporting issues and judgements made to ensure the integrity of the financial statements and any announcements on the Company's financial performance;
- (b) reviewing, and reporting to the Board, at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance, and information technology controls;
- (c) reviewing the adequacy and effectiveness of the Company's internal audit function;
- (d) reviewing the external audit's scope and findings, its cost-effectiveness, and the independence and objectivity of the external auditors; and

Corporate Governance Report

Roles, Responsibilities, and Authority of AC (Cont'd)

- (e) making recommendations to the Board regarding the appointment, re-appointment, or removal of the external auditors' proposals to the shareholders, and approving the remuneration and terms of engagement of the external auditors.

Every year, before the commencement of the respective audit work, the AC reviews the audit plan with the external auditor and the scope of internal audit work with the internal auditor. Furthermore, to ensure that interested person transactions are carried out on standard commercial terms and not prejudicial to the interests of the Company and its minority shareholders, the AC reviews interested person transactions and conducts periodic reviews of the review procedures for such transactions.

During the financial year, the AC met twice, in the presence of the internal and external auditors, with Management; and five times with the internal auditor and Management. Without the presence of Management, there was one meeting each with the internal auditors and the external auditors. It also reviewed the periodic consolidated financial statements, the auditors' report as issued by both the internal and external auditors, and the Management's report on the risk management framework before their submissions to the Board, and Management's estimates and judgements adopted in the preparation of the consolidated financial statements.

Key Audit Matters ("KAM")

The following significant matters were discussed, and consensus obtained between senior management staff and the external auditor before being reviewed by the AC:

- (a) Assessment of impairment loss on property, plant and equipment ("PPE")

The AC considered the approach and methodology applied by the independent valuation expert and Management, for assessing the recoverable amount based on the depreciated replacement cost approach, except for the freehold land, which is based on the market approach, before reviewing the key assumptions including useful life of the assets, inflation rate.

Consequently, they are satisfied with the valuation process and methodologies used for the valuation of PPE. The related impairment was an area of concern, hence has been included as KAM. Please refer to pages 35 and 36 of this Annual Report for more details.

- (b) Assessment of expected credit loss on trade receivables

The AC considered the basis of Management's judgement on the overdue debts and the amount of default based on the past collection trends, any increase in the number of delayed receipts on the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the COVID-19 pandemic). The AC reviewed the Management's process over assessing the recoverability of the overdue debts.

The impairment assessment of trade receivables has been included as KAM. Please refer to page 37 of this Annual Report for more details.

Corporate Governance Report

Roles, Responsibilities, and Authority of AC (Cont'd)

(c) Assessment of impairment loss on cost of investments in subsidiaries and long-term receivables from subsidiaries

The AC considered the approach adopted by Management, namely by comparing the net carrying amount of the subsidiaries with the Company's share of net assets or liabilities of the subsidiaries to identify the indications of impairment and to determine the impairment allowance of cost of investments and long-term receivables from the subsidiaries concerned, before being satisfied with the impairment assessment approach adopted and associated disclosures requirements.

The impairment of Company's cost of investments in subsidiaries and long-term receivables from subsidiaries were areas of concern, hence has been included as KAM. Please refer to page 38 of this Annual Report for more details.

The financial statements, including the KAM, were recommended to the Board, which approval was obtained on 15 October 2021.

Under the terms of reference, the AC has explicit authority to investigate any matter, full access to Management, and full discretion to invite any director, Management, or employee to attend its meetings and appropriate resources to discharge its functions properly.

Members of the AC are kept informed of changes to accounting standards and issues by the Company and the external auditor. They are also encouraged to attend, at the Company's expense, courses or seminars conducted by external professionals to keep abreast of such changes.

Whistle-blowing Policy

The whistle-blowing policy of the Company sets out the procedures for any staff of the Group who may, in confidence and good faith, raise concerns about possible improprieties in matters of financial reporting or other issues. Arrangements are also in place for the independent investigation of such matters and appropriate follow-up action. Such policy and procedures have been reviewed by the AC and made available to employees of the Group.

Independence of External Auditor

The AC is responsible for nominating the external auditor and reviewing their remuneration and terms of engagement before making a recommendation to the Board. Besides, it reviews the scope, independence, objectivity of the external auditors and their external audit findings.

Following FY 2021 audit plan presentation, the AC was satisfied with the independence, objectivity, planned audit approach, and the proposed audit fees of RSM Chio Lim LLP.

Corporate Governance Report

Independence of External Auditor (Cont'd)

A breakdown of the fees for services provided by the external auditor and its member firms is illustrated in the table below:

Services provided by External Auditor	FY2021		FY2020	
	S\$'000	% of Total Fees	S\$'000	% of Total Fees
Audit Fees	123	100	126	100
Non-Audit Fees	-	-	-	-
Total Fees	123	100	126	100

If any, the nature and extent of non-audit services performed by the external auditor will be reviewed by the AC. There were no non-audit services provided by the external auditor during FY 2021.

None of the AC members is a former partner or director of the Company's existing auditing firm. Accordingly, the Company has complied with SGX-ST Listing Rules 712 and 715 concerning external auditor engagement.

Internal Auditor and Internal Audit Function

The internal auditors ("IA") review, at least once annually, the adequacy and effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls, and risk management systems. All material policy non-compliance or lapses in internal controls together with remedial measures are reported by the IA to the AC. The latter also reviews the adequacy and timeliness of the rectifications by the Management of the auditee entity.

Functionally, they report to the Chairman of the AC, and administratively, to the Executive Director. The hiring and removal of the head of the IA are subject to the approval of the AC. The IA is independent of the activities it audits and abstains from the audit of activities where conflict of interests might arise.

The IA is staffed with persons of suitable qualifications and experience who are internationally recognised professional accountancy bodies. It conducts its audit under International Standards for the Professional Practice of Internal Auditing, as set by the Institute of Internal Auditors. It has unrestricted access to the Group's documents, records, properties, and personnel, including access to the AC.

Adequacy and Effectiveness of Internal Audit Function

On an annual basis, the AC reviews the adequacy and effectiveness of the internal audit function. For FY 2021, the AC is satisfied that the IA is adequately resourced to carry out its duties independently and effectively.

Corporate Governance Report

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11 – Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitable in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Effective Shareholders' Participation and Voting at General Meetings

The Company encourages greater shareholders' participation at general meetings, where their views could be communicated to the Board, and for the latter to solicit feedback from the shareholders.

Due to the COVID-19 pandemic, the 2020 AGM of the Company was conducted through electronic means. Such arrangement was in line with the COVID-19 (Temporary Measures) Act 2020, relevant rules, regulations, and checklists issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore, and the SGX-ST.

Before the 2020 AGM commencement, shareholders were informed of relevant rules and procedures on the alternative arrangements of the 2020 AGM. Shareholders who registered online for participation in the 2020 AGM, and upon verification, received an email containing the login credentials, the link, and the steps to access the live webcast and live audio feed of the 2020 AGM proceedings. Shareholders were also given a right to vote on all or any of the resolutions proposed at the 2020 AGM by submitting a proxy form before the prescribed timeline to appoint the Chairman of the 2020 AGM as their proxy to cast votes on their behalf.

To promote environmental sustainability, the Company has discontinued the practice of mailing its annual reports or circulars to shareholders since last year. Nevertheless, the annual reports and circulars will be announced via SGXNet and published on the Company's website. Also, the notices of general meetings will be issued via SGXNet and published in the newspapers and on the Company's website.

In normal circumstances where resolutions tabled at general meetings are passed through a process of voting by poll which the Secretary clearly explains procedures at the beginning of the voting in such general meetings.

Suppose any shareholder is unable to attend a general meeting in person. In that case, he/she may appoint not more than two proxies, in accordance with the Constitution, to attend, speak and vote on his/her behalf. Any shareholder who is a Relevant Intermediary (as defined under Section 181(6) of the Companies Act) may appoint more than two proxies to attend, speak and vote at general meetings of the Company. This arrangement is to facilitate indirect shareholders, including CPF investors, to participate in general meetings. Such indirect shareholders, appointed as a proxy, will have the same rights as direct shareholders to attend, speak, and vote at general meetings. To have valid registration of proxy, an instrument appointing a proxy must be deposited at such place or places specified in the notice convening the general meetings at least 72 hours before the time set for the general meetings.

Corporate Governance Report

Effective Shareholders' Participation and Voting at General Meetings (Cont'd)

The Constitution allows shareholders who are unable to vote in person at a general meeting the option to vote in absentia by mail, facsimile, or email.

Separate Resolutions at General Meetings

At general meetings, matters requiring shareholders' approval are set out in separate resolutions. However, if the matters are interdependent and interrelated, they will be combined to become a resolution. Where resolutions are combined, explanatory notes will be included in the notice of the general meeting.

Attendance at General Meetings

General meetings are considered as opportunities for the Company to communicate directly with shareholders. Shareholders are given the opportunity to air their views or raise questions regarding the Group. The Board will be present to address any query. The external auditor will also be present to provide clarifications on audit issues.

Due to the COVID-19 related safe distancing measures, the attendance of the Board, Management, and external auditor at the 2020 AGM was through electronic means.

Voting by Poll at General Meetings

The Company puts all resolutions to vote by poll at general meetings. The results showing the number of votes cast for and against each resolution and the respective percentages are displayed on the screen and will be read to shareholders after the vote has been cast. The same information will also be released to SGX-ST after the conclusion of the general meeting.

However, in connection with the alternative arrangements of the 2020 AGM, all resolutions of the 2020 AGM were voted by poll, by the Chairman of the 2020 AGM, in accordance with the directions set out in proxy forms received, which have been checked the validity by B.A.C.S. Private Limited, the Company's share registrar and the appointed polling agent, and Finova BPO Pte Ltd, the appointed scrutineer for 2020 AGM.

Minutes of General Meetings

Minutes of the 2020 AGM has been published via SGXNet and posted on the Company's website. These minutes include the proceedings at the general meetings, substantial and relevant comments or questions from shareholders, and responses from the Board as well as the voting result of each resolution.

Dividend Policy

The Company does not have a definitive dividend policy in place. Nonetheless, the Company has been declaring dividends since 2012. Declaration of dividends, if any, will be clearly communicated to shareholders. In the event that the Company decides not to declare or recommend a dividend, explanations will be provided in the financial results announcement for that relevant period.

Corporate Governance Report

Dividend Policy (Cont'd)

In declaring a dividend, the Board takes into consideration numerous factors, including the Group's financial performance, cash flows position, retained earnings, projected capital expenditure requirement, and other investment plans.

Principle 12 – Engagement with Shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Communication with Shareholders

General meetings have been and are still the principal forum for dialogue with shareholders. During these meetings, shareholders are given a PowerPoint presentation by the Executive Director on the Group's performance for the reporting financial year or the purpose of any extraordinary meetings. Shareholders are then invited to raise questions, express any concern or give suggestions. Before the voting of each resolution, shareholders are again given ample opportunities to raise queries.

For the 2020 AGM, shareholders were allowed to submit questions relating to the annual report, letter to shareholders, and resolutions set out in the notice of 2020 AGM in advance to the Company when they register online or by post to the Company's registered office. The Company's responses to the questions have subsequently been published on SGXNet and the Company's website before the 2020 AGM.

In line with the continuous disclosure obligations under the requirements set out in SGX-ST Listing Manual and Companies Act, the Board informs the shareholders promptly of all major developments that may have a material impact on the Group.

The Company's investor relations policy and practices adhere to fair disclosure and transparency principles. Clear, pertinent, and accurate information is provided to shareholders and the investing community in a timely and effective manner. The Company does not practise selective disclosure. All material developments that impact the Group, including financial results and annual reports, are announced or issued within the mandatory periods and posted on the Company's website.

The Company's website is updated from time to time, as and when necessary.

Avenues for communication

The Company treats all shareholders fairly and equitably and endeavours to engage in regular, effective, and fair communication with shareholders. Such channels include annual reports, shareholder circulars, shareholders' meetings, and announcements through SGXNet and the Company's website.

Corporate Governance Report

Avenues for communication (Cont'd)

To enhance the process of soliciting input from shareholders and members of the investment community, the Company's website provides a "Contact LAP" link that gives shareholders contact details to communicate with the Company. Any feedback or queries received from shareholders and investment community members will be responded to within a week.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13 – Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Board recognises the relationships with material stakeholders are important and may impact the Company's business operations. Accordingly, the strategy and key areas of focus in relation to stakeholder relationships' management during the year are disclosed in the Sustainability Report 2021, a link to access the said report is set out on page 31 of this Annual Report.

In addition, the Company maintains a corporate website: www.lionasiapac.com to enable stakeholders to contact the Company when needed.

OTHER CORPORATE GOVERNANCE MATTERS

Dealings in Securities

In compliance with SGX-ST Listing Rule 1207(19), the Company has issued a Compliance Code on Securities Transactions (the "LAP Compliance Code") to all Directors and officers of the Group, setting out the implications of insider trading and the guidelines on dealing in the Company's shares.

Under the LAP Compliance Code and SGX-ST Listing Rule 1207(19), all Directors and officers of the Group who have access to price-sensitive information are prohibited from dealing in the shares of the Company, during the periods commencing 1 January to the date of announcement of the Company's second-quarter results ending 31 December, 1 April to the date of announcement of third-quarter results ending 31 March, 1 July to the date of announcement of full-year results ending 30 June, and 1 October to the date of announcement of first-quarter results ending 30 September. In addition, the LAP Compliance Code discourages all Directors or officers of the Group from dealing in the Company's shares on short-term considerations. It reminds them of their obligations under insider trading laws.

Summary of Sustainability Report 2021

We are pleased to present the Group's Sustainability Report ("SR") for the fifth year. This report is based on the Global Reporting Initiative (GRI) Standards: Core option.

At Lion Asiapac Limited, we consider sustainability issues as part of our strategic formulation. With full support from the Board, the SR committee, spearheading by Executive Director, establishes a framework for its sustainability strategy before identifying, managing, and addressing ESG factors material to the Group's business activities.

Through continuous interaction with stakeholders, the committee reviews the ESG factors to identify the changes during the year. The material ESG factors are:

Economic	Social	Governance	Environment
<ul style="list-style-type: none"> • Economic performance • Anti-corruption 	<ul style="list-style-type: none"> • Training and development • Occupational health and safety 	<ul style="list-style-type: none"> • Corporate governance 	<ul style="list-style-type: none"> • Energy management • Pollution management

The SR details policies, practices, and performance measures to each of the ESG factors before setting targets as performance drivers.

For this year's SR, no engagement of third-party assurance has been arranged.

The full Sustainability Report for 2021 will be available at the Company's website:

<http://www.lionasiapac.com/index.php/investors>

Board of Directors

Statement by Directors

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 30 June 2021.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Sam Chong Keen
 Loh Kgai Mun
 Tan Sri Cheng Heng Jem
 Cheng Theng How
 Dr Chua Siew Kiat
 Lee Whay Keong

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year were not interested in shares in or debentures of the Company or other related body corporates as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as follows:

The Company:	Shareholdings in which a director is deemed to have an interest	
	As at 1.7.2020	As at 30.6.2021
	Number of shares of no par value	
Tan Sri Cheng Heng Jem	54,062,680	54,062,680

By virtue of section 7 of the Act, the above director is deemed to have an interest in the Company and in all the related body corporates of the Company.

Statement by Directors

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

During the reporting year, there were no shares of the Company or the body corporate issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

7. Report of audit committee

The members of the audit committee ("AC") at the date of this report are as follows:

Sam Chong Keen	Chairman
Dr Chua Siew Kiat	Independent Director
Cheng Theng How	Non-Executive Director

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan,
- Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls relevant to their statutory audit, their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditors the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by management to the internal auditor.
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Statement by Directors

7. Report of audit committee (Continued)

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence are safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the Company.

8. Directors' opinion on the adequacy of internal controls

The directors' opinion on the adequacy of internal controls is detailed in the report on corporate governance included in the annual report of the Company.

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 27 September 2021, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

.....
Loh Kgai Mun

Director

.....
Lee Whay Keong

Director

15 October 2021

to the Members of LION ASIAPAC LIMITED

Independent Auditor's Report

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Lion Asiapac Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

(a) Assessment of impairment loss on property, plant and equipment

Please refer to Note 2A to the financial statements on accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties; Note 11A on property, plant and equipment and the annual report on the section on the audit committee's views and responses to the reported key audit matters.

The Group's carrying value of the property, plant and equipment ("PPE") amounted to S\$2,393,000 as at 30 June 2021.

Independent Auditor's Report

to the Members of LION ASIAPAC LIMITED

Key audit matters (Continued)

Group (Continued)

(a) Assessment of impairment loss on property, plant and equipment (Continued)

The management considered both the market approach and cost approach (depreciated replacement cost method) in determining fair value less cost of disposal ("FVLCOD"). It was determined that cost approach is more appropriate, except for freehold land which was based on the market approach, given the unique specifications and nature of the PPE. An impairment loss is the excess of the carrying value over the recoverable amount, and is recognised in profit or loss. If there is any reversal of impairment, the increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed, if any, the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. The management also considered the relevant guidance of SFRS(I) 1-36 Impairment of Assets, operating environment as well as the operating results of a subsidiary, in evaluating whether the accumulated impairment on PPE should be reversed as at 30 June 2021, in addition to the impairment assessment of the PPE.

Management engaged an independent valuation expert for assistance in its assessment. The independent valuation expert adopted the depreciated replacement cost approach, except for freehold land, which was based on the market approach. The assessment of the recoverable amount requires management's significant judgements and impacted by a number of key assumptions including useful lives of the assets and inflation rate used to adjust historical information.

Due to the level of judgement and uncertainty, the assessment by management of the recoverable amount is considered to be a key audit matter.

As part of our audit procedures, we have:

- Evaluated management's impairment assessment which, among others, included procedures around identification of observable impairment indicators, selection of the independent valuation expert, review of the valuation report in determining the fair value less costs of disposal of property, plant and equipment.
- Evaluated management's assessment on the reversal of accumulated impairment recognised in previous reporting years.
- Involved our own valuation experts to assess the appropriateness of management's valuation model, the reasonableness of certain assumptions used in the valuation process and whether the calculations within the model are performed correctly.
- With the assistance from our own valuation experts, assessed the independence, competency and experience of the independent valuation expert. Our own valuation experts also checked the accuracy and relevance of inputs used by the independent valuation expert. We also considered the adequacy of the disclosures on the degree of critical judgement and estimation made.
- Reviewed for the adequacy of the disclosures included in the financial statements.

to the Members of LION ASIAPAC LIMITED

Independent Auditor's Report

Key audit matters (Continued)

Group (Continued)

(b) Assessment of expected credit loss on trade receivables

Please refer to Note 2A to the financial statements on accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties; Note 15 on trade receivables and the annual report on the section on the audit committee's views and responses to the reported key audit matters. The carrying amount of trade receivables amounted to S\$5,652,000 which represents approximately 7% of the Group's total assets as at the reporting year end.

To determine the amount of the expected credit loss on impairment of trade receivables, requires management's judgement on the assessment of the expected credit loss allowance based on past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the COVID-19 pandemic).

As part of our audit procedures, we have:

- Discussed and evaluated management's assessment in relation to customers' credit worthiness and expected credit losses.
- Performed other audit procedures that included reviewing payment histories and assessing recoverability by obtaining evidence of financial position of the relevant customers and/or receipts subsequent to the reporting year end.
- Reviewed management's process over the recoverability of outstanding trade receivables and evaluated management's assumptions used to estimate the allowance for impairment of trade receivables.
- Reviewed for the adequacy of the disclosures included in the financial statements.

Independent Auditor's Report

to the Members of LION ASIAPAC LIMITED

Key audit matters (Continued)

Company

(c) **Assessment of impairment loss on cost of investments in subsidiaries and long-term receivables from subsidiaries**

Please refer to Note 2A to the financial statements on accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties; Note 12 on investments in subsidiaries and the annual report on the section on the audit committee's views and responses to the reported key audit matters.

As at 30 June 2021, the Company's cost of investments and long-term receivables from subsidiaries amounted to a total of S\$63,497,000. Collectively, these are the net investment in subsidiaries of the Company and it represents approximately 86% of the total assets in the statement of financial position of the Company. There is no impact at the Group level.

For the non-performing subsidiaries or if they have significant negative equity balances, the Company will have exposure to its net investments in the relevant subsidiaries. Any impairment losses will have to be recognised in the Company's separate financial statements.

Management made a comparison of net carrying amount of the subsidiaries with the Company's share of net assets or liabilities of the subsidiaries, to identify indications of impairment and if so, to determine the impairment loss allowance on the cost of investments and long-term receivables from the subsidiaries concerned. As the aggregate value of the net investments is material and combined with the significant degree of judgement made by management in assessing impairment of net investments in subsidiaries, we determine that this is a key audit matter.

As part of our audit procedures, we have:

- Obtained an understanding on how management estimated the impairment allowance and evaluated management's process in determining the recoverable amounts.
- Discussed and evaluated management's assessment in determining the impairment allowance of investments and long-term receivables.
- Reviewed financial statements of the subsidiaries for their respective financial positions.
- Reviewed for the adequacy of the disclosures included in the financial statements.

to the Members of LION ASIAPAC LIMITED

Independent Auditor's Report

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

to the Members of LION ASIAPAC LIMITED

Auditor's responsibilities for the audit of the financial statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

to the Members of LION ASIAPAC LIMITED

Independent Auditor's Report

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Eu Chee Wei David.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

15 October 2021

Engagement partner – effective from year ended 30 June 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year Ended 30 June 2021

	Notes	2021 S\$'000	2020 S\$'000
Revenue	5	19,326	16,826
Other income and gains	6	3,309	2,422
Purchases of inventories		(12,478)	(10,082)
Depreciation of property, plant and equipment	11	(715)	(647)
Depreciation of right-of-use-assets	20	(203)	(207)
Employee benefits expense	7	(2,160)	(2,129)
Other expenses	8	(5,074)	(5,340)
Changes in inventories of finished goods		137	(51)
Finance cost	20	(103)	(103)
Other losses	6	(963)	(9)
Profit before tax		1,076	680
Income tax expense	9	(139)	(139)
Profit, net of tax		937	541
Other comprehensive income (loss):			
Items that will not be reclassified to profit or loss:			
Fair value changes on equity instruments at fair value through other comprehensive income	13A	2,265	-
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	19B	1,391	(49)
Other comprehensive income (loss), net of tax		3,656	(49)
Total comprehensive income		4,593	492
Earnings per share			
Basic and diluted earnings per share	10	1.16	0.67

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 30 June 2021

	Notes	Group		Company	
		2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	2,393	2,289	-	-
Right-of-use assets	20	1,277	1,222	-	-
Investments in subsidiaries	12	-	-	63,497	61,115
Other financial assets	13	2,265	-	-	-
Total non-current assets		5,935	3,511	63,497	61,115
Current assets					
Inventories	14	4,702	3,326	-	-
Trade and other receivables	15	6,212	4,588	23	81
Other non-financial assets	16	356	352	1	3
Cash and cash equivalents	17	64,206	65,052	10,044	10,318
Total current assets		75,476	73,318	10,068	10,402
Total assets		81,411	76,829	73,565	71,517
EQUITY AND LIABILITIES					
Equity					
Share capital	18	47,494	47,494	47,494	47,494
Retained earnings		34,054	33,117	24,601	22,547
Other reserves (adverse balance)	19	(4,464)	(8,120)	-	-
Capital and reserves attributable to owners of the Company		77,084	72,491	72,095	70,041
Total equity		77,084	72,491	72,095	70,041
Non-current liabilities					
Deferred tax liabilities	9B	224	224	224	224
Lease liabilities	20	1,181	1,188	-	-
Total non-current liabilities		1,405	1,412	224	224
Current liabilities					
Income tax payable		73	68	-	-
Lease liabilities	20	169	71	-	-
Trade and other payables	21	2,267	2,372	1,246	1,252
Provisions	22	413	415	-	-
Total current liabilities		2,922	2,926	1,246	1,252
Total liabilities		4,327	4,338	1,470	1,476
Total equity and liabilities		81,411	76,829	73,565	71,517

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

Year Ended 30 June 2021

Group	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total S\$'000
Current year:				
Opening balance as at 1 July 2020	47,494	(8,120)	33,117	72,491
Profit for the year	–	–	937	937
Other comprehensive income	–	3,656	–	3,656
Total comprehensive income for the year	–	3,656	937	4,593
Closing balance as at 30 June 2021	47,494	(4,464)	34,054	77,084
Previous year:				
Opening balance as at 1 July 2019	47,494	(8,190)	37,155	76,459
Profit for the year	–	–	541	541
Other comprehensive loss	–	(49)	–	(49)
Total comprehensive income for the year	–	(49)	541	492
Transfer to retained earnings	–	119	(119)	–
Dividends paid (Note 23)	–	–	(4,460)	(4,460)
Closing balance as at 30 June 2020	47,494	(8,120)	33,117	72,491
Company				
Current year:				
Opening balance as at 1 July 2020		47,494	22,547	70,041
Total comprehensive income for the year		–	2,054	2,054
Closing balance as at 30 June 2021		47,494	24,601	72,095
Previous year:				
Opening balance as at 1 July 2019		47,494	26,779	74,273
Total comprehensive income for the year		–	228	228
Dividends paid (Note 23)		–	(4,460)	(4,460)
Closing balance as at 30 June 2020		47,494	22,547	70,041

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year Ended 30 June 2021

	2021 S\$'000	2020 S\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	1,076	680
Adjustments for:		
Depreciation of property, plant and equipment	715	647
Depreciation of right-of-use-assets	203	207
Property, plant and equipment written-off	9	216
Reversal of impairment loss on property, plant and equipment	(963)	–
Impairment loss on property, plant and equipment	963	–
Reversal of impairment loss on trade receivables	–	(758)
Interest income	(1,010)	(1,115)
Interest expense	103	103
Unrealised currency translation gains	(387)	(28)
Operating cash flows before changes in working capital	709	(48)
Inventories	(1,405)	980
Trade and other receivables	(1,729)	1,109
Other non-financial assets	(8)	(12)
Trade and other payables	(101)	136
Net cash flows (used in) from operations	(2,534)	2,165
Income tax paid, net	(23)	(51)
Net cash flows (used in) from operating activities	(2,557)	2,114
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(851)	(453)
Interest received	517	555
Cash subjected to foreign exchange control	–	2,660
Net cash flows (used in) from investing activities	(334)	2,762
<u>Cash flows used in financing activities</u>		
Interest paid	(103)	(103)
Repayment of lease liabilities – principal portion	(155)	(171)
Dividends paid to owners of the Company	–	(4,460)
Net cash flows used in financing activities	(258)	(4,734)
Net (decrease) increase in cash and cash equivalents	(3,149)	142
Cash and cash equivalents, statement of cash flows, beginning balance	32,175	31,925
Effects of currency translation on cash and cash equivalents	47	108
Cash and cash equivalents, statement of cash flows, ending balance (Note 17)	29,073	32,175

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

30 June 2021

1. GENERAL

The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore with limited liability. The address of its registered office is 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957. The financial statements are presented in Singapore dollars and they cover the Company (referred to as “parent”) and the subsidiaries.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are described in Note 12. The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

Uncertainties relating to the Covid-19 pandemic:

The COVID-19 recovery is uneven globally and is presenting a variety of challenges and risks from economic uncertainty to changes in consumer demand, disrupted supply chains and staff shortages, new hybrid working patterns, the ending of government support packages and increased merger and acquisitions activity. This pandemic is expected to pose continuing uncertainty to the Group’s businesses and difficulties in its business operations. This uncertainty gave rise to difficulties in making an accurate assessment by management, of the future financial impacts on the Group and Company. Following the Group and Company’s review of the potential impact and any possible downside scenarios, it concluded that no material uncertainties were identified on the Group and Company’s ability to continue in operational existence for the foreseeable future.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS(I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

30 June 2021

Notes to the Financial Statements

1. GENERAL (CONTINUED)

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C, where applicable.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation.

Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the Company's separate statement of profit or loss and other comprehensive income is not presented.

Notes to the Financial Statements

30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties.

An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Other income

Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attached to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. Grants related to assets are presented in the statement of financial position by recognising the grants as deferred income that is recognised in profit or loss on a systematic basis over the useful lives of the assets and in the proportions in which depreciation expense on those assets is recognised.

30 June 2021

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Notes to the Financial Statements

30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for leasehold improvements and certain leased assets, the shorter lease term). The useful lives are as follows:

	<u>Useful lives</u>
Leasehold buildings and infrastructure	20 years
Plant and machinery	1 – 15 years
Office equipment and motor vehicles	2.5 – 10 years
Furniture and fittings	3 – 10 years

30 June 2021

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Property, plant and equipment (Continued)

An asset classified as construction in progress is not depreciated until the construction has been completed or the ownership is established. The asset is then reclassified to other items under property, plant and equipment.

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements. Freehold land is not depreciated.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss.

The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Notes to the Financial Statements

30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment, and depreciated over the lease terms.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Business combinations

There were no business combinations during the reporting year.

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Notes to the Financial Statements

30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements

30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Financial instruments (Continued)

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment measured at FVTOCI: On initial recognition of an equity investment that is not held for trading, an irrevocably election may be made to present subsequent changes in fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis. Fair value changes are recognised in OCI but dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. The gain or loss that is presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity. The weighted average or specific identification method is used when determining the cost basis of equities being disposed of.
4. Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Notes to the Financial Statements

30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. In making the fair value measurement for a non-financial asset, management determines the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis.

Notes to the Financial Statements

30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessment of impairment loss on property, plant and equipment:

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal and value-in-use of the cash-generating unit. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumptions for the group is S\$2,393,000 (2020: S\$2,289,000).

30 June 2021

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2C. Critical judgements, assumptions and estimation uncertainties (Continued)

Assessment of expected credit loss on trade receivables:

The allowance for expected credit losses (“ECL”) assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity’s past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the Covid-19 pandemic). The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount of the group is disclosed in the Note on trade and other receivables.

Assessment of impairment loss on cost of investments in subsidiaries and long-term receivables from subsidiaries:

Where an investee is in net equity deficit and or has suffered losses, a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow.

It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the subsidiaries affected. The carrying amount of subsidiaries at the end of the reporting year affected by the assumption for the company is S\$63,497,000 (2020: S\$61,115,000).

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Tan Sri Cheng Heng Jem, a director of the Company.

Notes to the Financial Statements

30 June 2021

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3A. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, service or obligation if any, are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Related parties:</u>		
Revenue received/receivable	5,013	2,266
Purchases of goods	(164)	(61)
Interest income received/receivables	25	36
Rental paid/payable	(119)	(120)
Rental recharged	48	48
Penalties received for shortfall on minimum purchases	269	338

Related parties are entities that are controlled by Tan Sri Cheng Heng Jem.

3B. Key management compensation:

	Group	
	2021	2020
	S\$'000	S\$'000
Salaries and other short-term employee benefits	789	799
Contribution to defined contribution plans	70	76
	859	875

Further information about the remuneration of individual directors is provided in the report on corporate governance. Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Notes to the Financial Statements

30 June 2021

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3C. Other receivables from and other payables to related parties:

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Related parties:</u>		
<u>Other receivables (other payables):</u>		
Balance at beginning of the year	192	225
Amounts billed to related parties	199	448
Amounts paid in by related parties	(164)	(479)
Foreign exchange adjustments	-	(2)
Balance at end of the year	<u>227</u>	<u>192</u>
Presented in the statement of financial position as follows:		
Other receivables (Note 15)	242	208
Other payables (Note 21)	(15)	(16)
Balance at end of the year	<u>227</u>	<u>192</u>
	Company	
	2021	2020
	S\$'000	S\$'000
<u>Related parties:</u>		
<u>Other receivables:</u>		
Balance at beginning of the year	3	1
Amount billed to related parties	(3)	2
Shared office expenses paid on behalf of related parties	4	7
Repayment by related parties	(4)	(7)
Balance at end of the year (Note 15)	<u>-</u>	<u>3</u>

Notes to the Financial Statements

30 June 2021

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3C. Other receivables from and other payables to related parties (Continued):

	Company	
	2021	2020
	S\$'000	S\$'000
Subsidiaries:		
Other payables:		
Balance at beginning of the year	(823)	(829)
Amounts paid out to subsidiaries	-	6
Balance at end of the year (Note 21)	(823)	(823)

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes, the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) manufacturing of lime, (2) trading of steel consumables, (3) investment holding/others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

- (a) Manufacturing of lime – manufacturing and sales of quicklime, hydrated lime and quicklime powder.
- (b) Trading of steel consumables – trading of consumable required for steel product manufacturing.
- (c) Investment holding/others – managing investments.

Notes to the Financial Statements

30 June 2021

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4B. Profit or loss from continuing operations and reconciliations

	Manufacturing of lime S\$'000	Trading of steel consumables S\$'000	Investment holding/ others S\$'000	Total S\$'000
2021:				
Revenue	17,130	2,196	-	19,326
Segment results	-	(757)	(513)	(1,270)
Other income and gains	1,351	412	1,546	3,309
Other losses	(963)	-	-	(963)
Profit before tax				1,076
Income tax expense				(139)
Profit for the year				937
Non-cash expenses				
Depreciation	773	138	7	918
2020:				
Revenue	16,826	-	-	16,826
Segment results	(179)	(915)	(639)	(1,733)
Other income and gains	512	1,126	784	2,422
Other losses	(8)	(1)	-	(9)
Profit before tax				680
Income tax expense				(139)
Profit for the year				541
Non-cash expenses				
Depreciation	708	139	7	854

4C. Assets and reconciliations

	Manufacturing of lime S\$'000	Trading of steel consumables S\$'000	Investment holding/ others S\$'000	Total S\$'000
2021:				
Reportable segment assets and consolidated total assets	18,031	15,679	47,701	81,411
2020:				
Reportable segment assets and consolidated total assets	17,843	15,462	43,524	76,829

Notes to the Financial Statements

30 June 2021

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4D. Liabilities and reconciliations

	Manufacturing of lime S\$'000	Trading of steel consumables S\$'000	Investment holding/ others S\$'000	Total S\$'000
2021:				
Reportable segment liabilities	3,166	325	612	4,103
Unallocated:				
Deferred tax liabilities				224
Consolidated total liabilities				4,327
2020:				
Reportable segment liabilities	3,274	204	636	4,114
Unallocated:				
Deferred tax liabilities				224
Consolidated total liabilities				4,338

4E. Other material items and reconciliations

	Manufacturing of lime S\$'000	Trading of steel consumables S\$'000	Investment holding/ others S\$'000	Total S\$'000
2021:				
Capital expenditure	841	274	-	1,115
2020:				
Capital expenditure	453	-	-	453

The Group's products are sold to local and overseas markets. The management of the Group reviews the financial results by business segment to assess performance and make resource allocation decisions.

There are no significant sales or other transactions between the business segments. The revenue from external parties reported to the management is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income. All assets and liabilities are allocated to reportable segments other than income tax liabilities.

Notes to the Financial Statements

30 June 2021

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4F. Geographical information

As at 30 June 2021, the Group's three business segments operated in two main geographical areas:

Malaysia – the main activity is sales of lime and trading of steel consumables; and

Singapore – the main activity is investment holding.

	Revenue		Non-current assets	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Malaysia	18,543	16,035	3,487	3,445
Australia	–	–	2,265	–
Singapore	783	791	183	66
	19,326	16,826	5,935	3,511

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

4G. Information about major customers

	2021 S\$'000	2020 S\$'000
Top 1 customer in sales of lime and trading of steel consumables	6,575	6,799
Top 2 customers in sales of lime and trading of steel consumables	11,588	9,028
Top 3 customers in sales of lime and trading of steel consumables	13,498	11,195

5. REVENUE

Revenue from contracts with customers

	Group	
	2021 S\$'000	2020 S\$'000
Sale of goods	19,326	16,826

All contracts are less than 12 months and revenue are recognised based on point in time.

Notes to the Financial Statements

30 June 2021

6. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	Group	
	2021 S\$'000	2020 S\$'000
Reversal for impairment loss on property, plant and equipment (Note 11)	963	–
Impairment loss on property, plant and equipment (Note 11)	(963)	–
Reversal for impairment loss on trade receivables – related parties (Note 15)	–	758
Foreign exchange gain (losses), net	806	(9)
Interest income	1,010	1,115
Management fee income	12	12
Penalties received for shortfall on minimum purchase (Note 3)	269	338
Government grants	76	69
Rental recharged	94	96
Others	79	34
Net	2,346	2,413
Presented in profit or loss as:		
Other income and gains	3,309	2,422
Other losses	(963)	(9)
Net	2,346	2,413

7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2021 S\$'000	2020 S\$'000
Short term employee benefits expense	1,910	1,878
Employer's contribution to defined contribution plans	188	205
Other benefits	62	46
Total employee benefits expense	2,160	2,129

Notes to the Financial Statements

30 June 2021

8. OTHER EXPENSES

The major and other selected components include the following:

	Group	
	2021	2020
	S\$'000	S\$'000
Audit fees – auditors of the Company	74	76
Audit fees – auditors of subsidiaries	49	50
Property, plant and equipment written-off	9	216
Maintenance expense	363	313
Material handling	359	340
Transportation expense	2,199	2,370
Utilities	1,192	1,145

9. INCOME TAX

9A. Components of income tax expense recognised in profit or loss include:

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Current tax expense:</u>		
Current tax expense	145	139
Over adjustments in respect of prior periods	(6)	–
Total income tax expense	139	139

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2020: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2021	2020
	S\$'000	S\$'000
Profit before tax	1,076	680
Income tax expense at the above rate	183	116
Expenses not deductible for tax purposes	137	170
Effect of different tax rates in different countries	44	33
Income not subject to tax	(166)	–
Utilisation of deferred tax assets not recognised previously	(132)	(180)
Over adjustments in respect of prior periods	(6)	–
Deferred tax assets not recognised	79	–
Total income tax expense	139	139

Notes to the Financial Statements

30 June 2021

9. INCOME TAX (CONTINUED)

9B. Deferred tax balance in the statement of financial position:

	Group and Company	
	2021	2020
	S\$'000	S\$'000
<u>Deferred tax liabilities:</u>		
Foreign income not remitted	(224)	(224)
Total deferred tax liabilities	(224)	(224)

	Group			
	Gross		Unrecognised deferred tax assets	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Unrecognised deferred tax assets:</u>				
Unused tax losses available	17,144	16,756	3,792	3,731
Unabsorbed allowances	10,449	10,923	2,508	2,622
Unrecognised deferred tax assets	27,593	27,679	6,300	6,353

Included in unrecognised deferred tax assets are tax losses of S\$3,008,000 (2020: S\$3,026,000) that will expire in 2025. The other unrecognised deferred tax assets on unused tax losses and unabsorbed allowance may be carried forward indefinitely.

The utilisation of the above deferred tax asset is subject to conditions imposed by law including the retention of majority shareholders defined.

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10. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit, net of tax attributable to owners of the Company for the reporting year by the weighted average number of ordinary shares outstanding during the year.

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share:

	Group	
	2021	2020
Profit, net of tax attributable to owners of the Company (S\$'000)	937	541
Weighted average number of ordinary shares ('000) (Note 18)	81,105	81,105
Earnings per share	<u>1.16</u>	<u>0.67</u>

The diluted earnings per share is the same as the basic earnings per share as there were no share options outstanding (2020: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land S\$'000	Leasehold buildings and infrastructure S\$'000	Plant and machinery S\$'000	Office equipment and motor vehicles S\$'000	Furniture and fittings S\$'000	Construction- in-progress S\$'000	Total S\$'000
<u>Cost:</u>							
At 1 July 2019	713	389	27,643	879	63	211	29,898
Additions	–	–	5	17	11	420	453
Written-off	–	–	–	–	–	(216)	(216)
Reclassification	–	–	10	–	–	(10)	–
Foreign exchange adjustments	(2)	(1)	(92)	4	(1)	(3)	(95)
At 30 June 2020	711	388	27,566	900	73	402	30,040
Additions	–	10	111	20	2	708	851
Written-off	–	(15)	(36)	(14)	–	–	(65)
Reclassification	–	–	1,045	–	–	(1,045)	–
Foreign exchange adjustments	(4)	(2)	(181)	2	–	(7)	(192)
At 30 June 2021	<u>707</u>	<u>381</u>	<u>28,505</u>	<u>908</u>	<u>75</u>	<u>58</u>	<u>30,634</u>

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Group</u>	<u>Freehold land</u> <u>S\$'000</u>	<u>Leasehold buildings and infrastructure</u> <u>S\$'000</u>	<u>Plant and machinery</u> <u>S\$'000</u>	<u>Office equipment and motor vehicles</u> <u>S\$'000</u>	<u>Furniture and fittings</u> <u>S\$'000</u>	<u>Construction-in-progress</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
<u>Accumulated depreciation and impairment:</u>							
At 1 July 2019	–	224	26,102	824	41	–	27,191
Depreciation for the year	–	19	610	13	5	–	647
Written-off	–	–	–	–	–	–	–
Foreign exchange adjustments	–	(1)	(85)	(1)	–	–	(87)
At 30 June 2020	–	242	26,627	836	46	–	27,751
Depreciation for the year	–	18	675	17	5	–	715
Written-off	–	(10)	(31)	(15)	–	–	(56)
Reversal for impairment loss on property, plant and equipment (Note 6)	–	–	(963)	–	–	–	(963)
Impairment loss on property, plant and equipment (Note 6)	–	–	963	–	–	–	963
Foreign exchange adjustments	–	(2)	(166)	(1)	–	–	(169)
At 30 June 2021	–	248	27,105	837	51	–	28,241
<u>Carrying value:</u>							
At 1 July 2019	713	165	1,541	55	22	211	2,707
At 30 June 2020	711	146	939	64	27	402	2,289
At 30 June 2021	707	133	1,400	71	24	58	2,393

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Company</u>	Office equipment and motor vehicles S\$'000
<u>Cost:</u>	
At 1 July 2019, 30 June 2020 and 30 June 2021	630
<u>Accumulated depreciation:</u>	
At 1 July 2019, 30 June 2020 and 30 June 2021	630
<u>Carrying value:</u>	
At 1 July 2019	–
At 30 June 2020	–
At 30 June 2021	–

11A. Assessment of impairment loss on property, plant and equipment

The Group engaged an independent valuation expert, Roma Appraisals Limited (“ROMA”), for assistance in management’s assessment of the valuation for property, plant and equipment (“PPE”) held by the subsidiary, Compact Energy Sdn. Bhd. (“Compact”) for the reporting year ended 30 June 2021.

The Group considered both the market approach and cost approach (depreciated replacement cost method) in determining fair value less cost of disposal (“FVLCO”). It was determined that cost approach is more appropriate, except for freehold land, which was based on the market approach, given the unique specifications and nature of the PPE.

The cost approach considers the cost to reproduce, in new condition, the appraised assets in accordance with current market prices for assets, with allowance for depreciation arising from condition, utility, age, wear and tear or obsolescence present, taking into consideration past and present maintenance policy and rebuilding history. This approach generally furnishes a reliable indication of value for the assets in the absence of known market based on comparable sales. Due to the unobservable inputs, it is classified as a level 3 fair value.

As recoverable amount is based on the higher of fair value less costs of disposal and value-in-use, management adopted the fair value less costs of disposal as the valuation technique for the PPE in both 2021 and 2020. During the reporting year, as there were continued improvements to the operational profitability of certain plant and equipment, the group reversed impairment loss of S\$963,000 (2020: Nil) to the adjusted carrying amount (net of depreciation) of the plant and equipment concerned as if there was no impairment recognised in prior years. On the other hand, the Group fully impaired one of its quicklime plants by S\$963,000 to a carrying value of Nil as the plant has ceased production in recent years.

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

11A. Assessment of impairment loss on property, plant and equipment (Continued)

Key assumptions and inputs used to determine the recoverable amount based on FVLCOB:

1. The assets are kept in reasonable condition and capable of operating for the purpose for which they are designed and produced.
2. The useful lives of the assets are appropriate.
3. Inflation rate used to adjust the historical information.

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 S\$'000	2020 S\$'000
Unquoted equity shares at cost	5,087	5,087
Loan receivables ^(a)	104,680	104,663
Allowance for impairment	(46,270)	(48,635)
Carrying value	63,497	61,115

(a) Loan receivables from subsidiaries are classified as investment in subsidiaries as these are deemed as long-term receivables in nature.

	Company	
	2021 S\$'000	2020 S\$'000
Movements during the year. At carrying value:		
Balance at beginning of the year	61,115	65,305
Reversal of impairment loss ^(b)	2,365	595
Additions (repayment) of loan receivables	17	(4,785)
Balance at end of the year	63,497	61,115
Movements in allowance for impairment:		
Balance at beginning of the year	48,635	49,230
Reversal of impairment loss to profit or loss of Company ^(b)	(2,365)	(595)
Balance at end of the year	46,270	48,635

(b) The net tangible assets/liabilities of subsidiaries were used to determine the allowance for impairment. There were improvements of subsidiaries' financial positions, hence resulting in reversal of impairment which amounted to S\$2,365,000 (2020: S\$595,000).

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12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The subsidiaries that are wholly-owned by the Group are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Unquoted equity shares at cost	
	2021 S\$'000	2020 S\$'000
Held by the Company:		
LAP Trading & Marketing Pte. Ltd. ⁽¹⁾ Singapore Trading of steel consumables	*	*
LAP Investment Pte. Ltd. ⁽¹⁾ Singapore Investment holding	*	*
LAP Exploration Pte. Ltd. ⁽¹⁾ Singapore Investment holding	*	*
LAP Development Pte. Ltd. ⁽¹⁾ Singapore Investment holding	*	*
Ternair Jaya Sdn. Bhd. ⁽²⁾ Malaysia Investment holding	4,750	4,750
Lion Asiapac Management Consultancy (Shanghai) Co., Ltd ⁽³⁾ The People's Republic of China Investment holding	337	337

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12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Effective percentage of equity held by group	
	2021	2020
Held by Subsidiaries:		
LAP Energy Sdn. Bhd. ⁽²⁾ Malaysia Manufacture and sale of dry cargo containers (Ceased operations in financial year ended 2000)	100%	100%
Compact Energy Sdn. Bhd. ⁽²⁾ Malaysia Sales of lime	100%	100%
LAP Trading (Shanghai) Co., Ltd ⁽⁴⁾ The People's Republic of China Trading of steel consumables	100%	100%
LAP Marshall Pte Ltd ⁽⁵⁾ The Marshall Islands Investment holding	100%	100%

(1) Audited by RSM Chio Lim LLP, Singapore.

(2) Audited by RSM Malaysia, member firm of RSM International of which RSM Chio Lim LLP is a member.

(3) Audited by SBA Stone Forest Certified Public Accountants Co., Ltd., an affiliated firm of RSM Chio Lim LLP in Singapore.

(4) Other independent auditors. Audited by Shanghai Liyong C.P.A partnership, firm of accountants other than member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(5) It is not required to be audited under the laws of the country of incorporation. The amount is not material.

(*) Amount is less than S\$1,000.

13. OTHER FINANCIAL ASSETS

	Group	
	2021 S\$'000	2020 S\$'000
Balance is made up of:		
Investment in equity shares at FVTOCI	2,265	–

Notes to the Financial Statements

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13. OTHER FINANCIAL ASSETS (CONTINUED)

13A. Movements in balances

	Group	
	2021 S\$'000	2020 S\$'000
Movements during the year:		
Fair value at beginning of the year	-	-
Increase in fair value through other comprehensive income	<u>2,265</u>	-
Fair value at end of the year	<u>2,265</u>	-

13B. Disclosures relating to investment in equity shares at FVTOCI

The information gives a summary of the significant sector concentrations within the investment portfolio:

	Level	Group	
		2021 S\$'000	2020 S\$'000
<u>Fair value at end of the year:</u>			
Quoted equity shares:			
Australia ^(a)	1	<u>2,265</u>	-
Unquoted equity shares:			
Malaysia ^(b)	3	-	-
		<u>2021</u> %	<u>2020</u> %
<u>Percentage of equity held by the Group:</u>			
Quoted equity shares:			
Australia ^(a)	1	<u>1.7</u>	3.1
Unquoted equity shares:			
Malaysia ^(b)	3	<u>*</u>	<u>*</u>

(a) The quoted investment is in Mindax Limited, listed on the Australian Securities Exchange ("ASE"). In previous reporting year, the quoted equity shares was suspended from trading and fully impaired. The suspension in trading of the ASE was lifted in the current reporting year and the shares re-commenced trading on the ASE. The Group accordingly recognised a fair value gain through other comprehensive income.

(b) The unquoted investment is an equity interest in Lion Corporation Berhad ("LCB"), acquired by a subsidiary of the Company in a scheme of arrangement for overdue trade receivables owed by a related party in 2012. LCB was delisted from Bursa Malaysia in 2018, as such the investment has been fully impaired.

(*) Percentage holding is not significant.

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13. OTHER FINANCIAL ASSETS (CONTINUED)

13B. Disclosures relating to investment in equity shares at FVTOCI (Continued)

The investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities.

Sensitivity analysis: The effect on pre-tax profit is not significant.

14. INVENTORIES

	Group	
	2021 S\$'000	2020 S\$'000
Raw materials and consumables	4,240	2,999
Finished goods	462	327
	4,702	3,326

There are no inventories pledged as security for liabilities.

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<u>Trade receivables:</u>				
Outside parties	2,919	3,207	-	-
Related parties	2,742	750	-	-
Less: Allowance for impairment of receivables – related parties	(9)	(9)	-	-
Net trade receivables	5,652	3,948	-	-
<u>Other receivables:</u>				
Outside parties	72	110	-	-
Related parties (Note 3) ^(a)	242	208	-	3
Interest receivables	246	322	23	78
Net other receivables	560	640	23	81
Total trade and other receivables	6,212	4,588	23	81

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15. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Group	
	2021 S\$'000	2020 S\$'000
Movements in above allowance:		
At beginning of the year	9	2,120
Reversal of impairment loss	-	(758)
Used/bad debts written-off	-	(1,350)
Foreign exchange adjustments	-	(3)
At end of the year	<u>9</u>	<u>9</u>

(a) Other receivables mainly consist of an amount of S\$187,000 (2020: S\$187,000) which pertains to partial amount of reimbursable cost payable to Gas Malaysia Berhad rechargeable to the related parties (Note 22).

The expected credit losses ("ECL") on the above trade receivables, are based on the simplified approach to measure expected credit losses ("ECL") which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance model is based on the historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the Covid-19 pandemic. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined as follows for trade receivables:

Group	Gross amount S\$'000	Loss allowance S\$'000
2021:		
Current	4,318	-
1 to 30 days past due	514	-
31 to 60 days past due	379	-
61 to 90 days past due	286	-
Over 90 days past due	164	9
Total	<u>5,661</u>	<u>9</u>
	Gross amount S\$'000	Loss allowance S\$'000
2020:		
Current	1,932	-
1 to 30 days past due	577	-
31 to 60 days past due	498	-
61 to 90 days past due	322	-
Over 90 days past due	628	9
Total	<u>3,957</u>	<u>9</u>

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15. TRADE AND OTHER RECEIVABLES (CONTINUED)

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, for the individual larger balances, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 30 days (2020: 30 days). But some customers take a longer period to settle the amounts.

Concentration of trade receivable customers as at the end of reporting year:

	Group	
	2021	2020
	S\$'000	S\$'000
Top 1 customer	2,733	930
Top 2 customers	3,512	1,697
Top 3 customers	3,929	2,439

Other receivables:

The other receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception, they are recorded net of expected 12 month credit losses. At each reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. At the end of the reporting year, a loss allowance is recognised at an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition including the impact of the Covid-19 pandemic. No loss allowance was necessary.

Other receivables are normally with no fixed terms and therefore there is no maturity. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

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16. OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Deposits to secure services	236	239	1	3
Prepayments	79	81	-	-
GST recoverable	41	32	-	-
	356	352	1	3

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Cash at bank and on hand ^(a)	3,533	4,785	531	951
Fixed deposits ^(a)	60,673	60,267	9,513	9,367
Cash at end of the year	64,206	65,052	10,044	10,318

17A. Cash and cash equivalents in the statement of cash flows:

	Group	
	2021 S\$'000	2020 S\$'000
Amount as shown above	64,206	65,052
Cash subjected to foreign exchange control ^(b)	(35,133)	(32,877)
Cash and cash equivalents in the statement of cash flows	29,073	32,175

(a) Cash and cash equivalents bear interest rates from 0% to 2.6% (2020: 0% to 2.9%) per annum.

(b) Subject to the foreign exchange control in the People's Republic of China.

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17. CASH AND CASH EQUIVALENTS (CONTINUED)

17B. Reconciliation of liabilities arising from financing activities:

<u>Group</u>	<u>1 July 2020</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>30 June 2021</u>
2021:				
S\$'000				
Lease liabilities	<u>1,259</u>	<u>(258)</u>	<u>349^(a)</u>	<u>1,350</u>
Group	1 July 2019	Cash flows	Non-cash changes	30 June 2020
2020:				
S\$'000				
Lease liabilities	<u>–</u>	<u>(274)</u>	<u>1,533^(b)</u>	<u>1,259</u>

(a) Accretion of interest, additions of new lease arrangement, write-off of expired lease and foreign exchange adjustments.

(b) Adoption of new financial reporting standard on lease by the Group effective from 1 July 2020 (see Note 20).

18. SHARE CAPITAL

<u>Group and Company</u>	<u>Number of shares issued '000</u>	<u>Share capital S\$'000</u>
Balances as 1 July 2019, 30 June 2020 and 30 June 2021	<u>81,105</u>	<u>47,494</u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

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18. SHARE CAPITAL (CONTINUED)

Capital management:

The objectives when managing capital are: to safeguard the reporting Company's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken.

There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to shareholders, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves). In order to maintain its listing on the Singapore Exchange, the Company has to have share capital with a free float of at least 10% of the issued shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives shareholding reports from the share registrar regularly to ensure continue compliance with the 10% free-float requirement throughout the reporting years.

19. OTHER RESERVES

	Group	
	2021 S\$'000	2020 S\$'000
Statutory reserve ^(a)	180	180
Currency translation reserve ^(b)	(9,021)	(10,412)
Capital reserve ^(c)	2,112	2,112
Fair value reserve ^(d)	2,265	–
Total (adverse balance)	(4,464)	(8,120)

19A. Statutory reserve

	Group	
	2021 S\$'000	2020 S\$'000
At beginning and end of the year	180	180

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19. OTHER RESERVES (CONTINUED)

19B. Currency translation reserve

	Group	
	2021 S\$'000	2020 S\$'000
At beginning of the year	(10,412)	(10,363)
Net currency translation differences from consolidation of foreign operations	1,391	(49)
At end of the year (adverse balance)	<u>(9,021)</u>	<u>(10,412)</u>

19C. Capital reserve

	Group	
	2021 S\$'000	2020 S\$'000
At beginning and end of the year	<u>2,112</u>	<u>2,112</u>

19D. Fair value reserve

	Group	
	2021 S\$'000	2020 S\$'000
At beginning of the year	-	(119)
Increase in fair value of equity investments at FVTOCI	2,265	-
Transfer to retained earnings	-	119
At end of the year	<u>2,265</u>	<u>-</u>

- (a) In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China ("PRC"), wholly-owned subsidiaries are required to make appropriation to statutory reserve fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The SRF is not available for dividend distribution to shareholders.
- (b) Currency translation reserve comprises the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and the exchange differences on monetary items which form part of the Group's net investment in foreign operations.
- (c) The capital reserve arose from bonus share issue through retained profits by a subsidiary.
- (d) Fair value reserve comprises the aggregate cumulative fair value changes of investments in equity shares at FVTOCI.

All the reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

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20. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS

Lease for right-of-use assets – The reporting entity has a few leases relating to the land and office space. Other information about the leasing activities are summarised as follows: the lease prohibits the lessee from selling or pledging the underlying leased asset as security unless permitted by the owner, with remaining terms ranging from 1 to 18 years (2020: 1 to 19 years); there are no variable payments linked to an index.

The right-of-use assets are presented in the statement of financial position. The movements are as follow:

Group	Land S\$'000	Office S\$'000	Total S\$'000
<u>Cost:</u>			
At 1 July 2019	1,251	189	1,440
Foreign exchange adjustments	(11)	–	(11)
At 30 June 2020	1,240	189	1,429
Additions	–	264	264
Write-off	–	(170)	(170)
Foreign exchange adjustments	(7)	1	(6)
A 30 June 2021	1,233	284	1,517
<u>Accumulated depreciation:</u>			
At 1 July 2019	–	–	–
Depreciation of the year	63	144	207
Foreign exchange adjustments	*	*	*
At 30 June 2020	63	144	207
Depreciation of the year	63	140	203
Write-off	–	(170)	(170)
Foreign exchange adjustments	*	*	*
As 30 June 2021	126	114	240
<u>Carrying value:</u>			
At 1 July 2019	1,251	189	1,440
At 30 June 2020	1,177	45	1,222
At 30 June 2021	1,107	170	1,277

(*) Amount is less than S\$1,000

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20. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS (CONTINUED)

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2021 S\$'000	2020 S\$'000
Lease liabilities, current	169	71
Lease liabilities, non-current	1,181	1,188
	1,350	1,259

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

The weighted average incremental borrowing rate applied to lease liabilities recognised was ranged from 4.25% to 8.25% (2020: 4.25% to 8.25%) per year. The interest expense on lease liabilities amounted to S\$103,000 (2020: S\$103,000).

A summary of the maturity analysis of lease liabilities is disclosed in Note 24E. Total cash outflow for leases for the year ended 30 June 2021 are shown in the statement of cash flows.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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21. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<u>Trade payables:</u>				
Outside parties	450	683	-	-
<u>Other payables:</u>				
Outsides parties	777	825	222	229
Related parties (Note 3)	15	16	-	-
Subsidiaries (Note 3)	-	-	823	823
Accrued liabilities	1,025	848	201	200
Other payables – subtotal	1,817	1,689	1,246	1,252
Total trade and other payables	2,267	2,372	1,246	1,252

22. PROVISIONS

	Group	
	2021 S\$'000	2020 S\$'000
Provision for contractual obligations	413	416
Movement in above provision:		
At beginning of the year	415	416
Foreign exchange adjustments	(2)	(1)
At end of the year	413	415

In 2018, the Group made a provision for reimbursable cost in respect to the works carried out by Gas Malaysia Berhad (“GMB”) for the construction of gas distribution pipeline and related facilities for a subsidiary of the Company.

The Group also entered into an agreement with its related parties to indemnify the subsidiary for shortfall claim, late payment charges, penalty or other costs payable to GMB. Partial amount of the reimbursable cost payable to GMB is rechargeable to its related parties (Note 15), and the remaining balance was expensed off in 2018.

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23. DIVIDENDS

	Rate per share – cents		Group and Company	
	2021	2020	2021 \$'000	2020 \$'000
Final tax exempt (1-tier) dividend paid	-	0.5	-	406
Interim exempt (1-tier) dividend paid	-	5.0	-	4,054
Total dividends paid in the year	-	5.5	-	4,460

24. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

24A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	70,418	69,640	10,067	10,399
Financial assets at fair value through other comprehensive income	2,265	-	-	-
At end of the year	72,683	69,640	10,067	10,399
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	3,617	3,631	1,246	1,252
At end of the year	3,617	3,631	1,246	1,252

Further quantitative disclosures are included throughout these financial statements.

Notes to the Financial Statements

30 June 2021

24. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

24B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate risk, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. All financial risk management activities are carried out and monitored by senior management staff.
3. All financial risk management activities are carried out following acceptable market practices.

24C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

24D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 17 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

Notes to the Financial Statements

30 June 2021

24. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

24E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2020: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than	1 – 3 years	3 – 5 years	Over 5 years	Total
	1 year				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-derivative financial liabilities:					
2021:					
Gross lease liabilities	265	273	237	1,521	2,296
Trade and other payables	2,267	–	–	–	2,267
At end of the year	2,532	273	237	1,521	4,563
Non-derivative financial liabilities:					
2020:					
Gross lease liabilities	163	242	239	1,650	2,294
Trade and other payables	2,372	–	–	–	2,372
At end of the year	2,535	242	239	1,650	4,666

Notes to the Financial Statements

30 June 2021

24. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

24E. Liquidity risk – financial liabilities maturity analysis (Continued)

Company	Less than 1 year S\$'000
Non-derivative financial liabilities:	
2021:	
Trade and other payables	1,246
At end of the year	<u>1,246</u>
Non-derivative financial liabilities:	
2020:	
Trade and other payables	1,252
At end of the year	<u>1,252</u>

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

24F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2021 S\$'000	2020 S\$'000
Financial assets with interest:		
Fixed rates	<u>60,673</u>	<u>60,267</u>

Sensitivity analysis:

The impact of a change in interest rates on fixed interest rate financial instruments has not been assessed in terms of changing of their fair value.

Notes to the Financial Statements

30 June 2021

24. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

24G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured.

The Group's non-functional currencies exposure is as follows:

Group	US Dollar S\$'000	China Renminbi S\$'000	Singapore Dollar S\$'000	Total S\$'000
2021:				
Financial assets:				
Cash and cash equivalents	21	15,656	–	15,677
Trade and other receivables	–	–	129	129
Total financial assets	21	15,656	129	15,806
2020:				
Financial assets:				
Cash and cash equivalents	26	14,569	–	14,595
Trade and other receivables	–	–	199	199
Total financial assets	26	14,569	199	14,794

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	Group	
	2021 S\$'000	2020 S\$'000
A hypothetical 1% (2020: 1%) strengthening in the exchange rate of the functional currency against the China Renminbi with all other variables held constant would have an adverse effect on pre-tax profit of	157	146

Notes to the Financial Statements

30 June 2021

24. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

24G. Foreign currency risks (Continued)

The effect on Group's pre-tax profit for other non-functional currencies are not significant.

The above table shows sensitivity to a hypothetical percentage variation in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

25. EVENTS AFTER THE END OF REPORTING YEAR

On 27 September 2021, the directors purposed that a final dividend of 1.0 cent (2020: Nil) per shares, with a total of S\$812,000, be paid to shareholders after the annual general meeting to be held on 30 November 2021. This dividend is subject to approval by shareholders at such annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable. There are no income tax consequences in respect of the dividends to shareholders.

26. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS (I) No.	Title
SFRS (I) 3	Definition of a Business – Amendments
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments
SFRS (I) 16	Covid-19 Related Rent Concessions – Amendment (effective from 30 June 2020)

Notes to the Financial Statements

30 June 2021

27. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS (I) 3	Definition of a Business – Reference to the Conceptual Framework – Amendments to	1 Jan 2022
SFRS (I) 9	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 Jan 2022
Various	Annual Improvements to SFRS(I)s 2018-2020	1 Jan 2022

Annexure

General Mandate for Interested Person Transactions

Renewal of the General Mandate for Interested Person Transactions

At the 50th annual general meeting (“AGM”) of the Company held on 30 October 2020, shareholders of the Company (“Shareholders”) approved the renewal of the General Mandate for Interested Person Transactions (the “IPT Mandate”) that will enable the Company, its subsidiaries and associated companies, or any of them that are entities at risk, to enter into certain transactions with the classes of interested persons (“Interested Persons”) as set out in the IPT Mandate.

Pursuant to Chapter 9 of the listing manual (“Listing Manual”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”), a general mandate for transactions with Interested Persons is subject to annual renewal. The IPT Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the forthcoming 51st AGM.

Accordingly, the directors of the Company (the “Directors”) are proposing that the approval of the Shareholders for the renewal of the IPT Mandate be sought at the 51st AGM of the Company to be held on 30 November 2021 at 11.00 a.m. via electronic means.

General information relating to Chapter 9 of the Listing Manual is set out in pages 100 and 101 of this Annexure.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Annexure.

1. Rationale for the Renewal of the IPT Mandate

It is envisaged that the Company, its subsidiaries that are not listed on the SGX-ST or an approved exchange and its associated companies that are not listed on the SGX-ST or an approved exchange over which the Company and its subsidiaries, or the Company and its subsidiaries and their interested person(s), have control (collectively, the “Group”), or any company within the Group, will, in the ordinary course of their businesses, enter into transactions (“Interested Person Transactions”) with Interested Persons for mutual benefit. Such Interested Person Transactions are likely to occur with some degree of frequency, and could arise at any time. Such Interested Person Transactions would include the provision of goods and services in the ordinary course of business of the Group to Interested Persons or the obtaining of services from such Interested Persons.

Given that the Interested Person Transactions are expected to be recurrent transactions and may occur at any time, and to allow the Group to undertake such transactions in a more expeditious manner, the Directors are seeking the approval of the Shareholders for the renewal of the IPT Mandate for the purposes of Chapter 9 of the Listing Manual and for the Group to enter into the categories of Interested Person Transactions with certain classes of Interested Persons as set out in paragraphs 4 and 3 below respectively.

2. Benefits of the IPT Mandate

The IPT Mandate is intended to facilitate specified categories of Interested Person Transactions in the normal course of business of the Group which are transacted, from time to time, with the specified classes of Interested Persons, provided that they are carried out on an arm’s length basis and on the Group’s normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Annexure

General Mandate for Interested Person Transactions

2. Benefits of the IPT Mandate (Cont'd)

The IPT Mandate will enhance the ability of the companies in the Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when the need to enter into a specified category of Interested Person Transactions with an Interested Person arises. This will reduce the expenses associated with convening of general meetings on an *ad hoc* basis, improve administrative efficiency considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives available to the Group.

3. Classes of Interested Persons

The IPT Mandate will apply to the Interested Person Transactions (as described in paragraph 4 below) with the following classes of Interested Persons, namely:

- (a) Lion Corporation Berhad ("LCB"), its subsidiaries and associated companies;
- (b) Lion Industries Corporation Berhad ("LICB"), its subsidiaries and associated companies;
- (c) Lion Diversified Holdings Berhad ("LDHB"), its subsidiaries and associated companies; and
- (d) ACB Resources Berhad ("ACB"), its subsidiaries and associated companies.

Transactions with Interested Persons that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

4. Categories of Interested Person Transactions

The transactions entered into by the Group with the Interested Persons which will be covered by the IPT Mandate are as follows:

4.1 Sale of Lime Products

The Group will supply lime products to the Interested Persons. The basis of determining the contract and/or transaction terms are defined herein below.

4.2 Sale of Consumables Required for Steel Product Manufacturing

The Group will supply consumables required for steel product manufacturing to the Interested Persons. The basis of determining the contract and/or transaction terms are defined herein below.

4.3 Provision and/or Obtaining of Services arising from Business Operations

The Group will in the ordinary course of business provide or obtain, *inter alia*, management, consultancy, leasing or warehousing, internal audit and information technology services relating to its business operations. The basis of determining the contract and/or transaction terms are defined herein below.

Annexure

General Mandate for Interested Person Transactions

4. Categories of Interested Person Transactions (Cont'd)

The IPT Mandate will not cover any transaction by a company in the Group with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions.

5. Review Procedures for Interested Person Transactions

To ensure that the Interested Person Transactions are conducted on normal commercial (or, in the absence of other similar comparable transactions, fair and reasonable) terms and will not be prejudicial to the interests of the Company and its minority Shareholders, as a general rule the Group will only enter into transactions with the Interested Persons if the terms offered by or extended to the Interested Persons are respectively no less favourable or more favourable than the terms that may be obtainable from or extended to unrelated third parties.

5.1 In general, the Group has internal control procedures to ensure that the Interested Person Transactions are undertaken at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

(a) Sale of Lime Products

The review procedures are as follows:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market prices determined by market conditions on terms which are no more favourable to the Interested Persons than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases and long-term contracts where the giving of such preferential prices/rates/discounts are commonly practised within the applicable industry and may be extended to unrelated third parties), or otherwise in accordance with applicable industry norms. The Company will source for documented evidences of market prices and quotations, where practicable, for ascertaining the reasonableness of the pricing;
- (ii) where the prevailing market prices or rates are not available due to the nature of the products to be sold or the services to be provided and the then prevailing business conditions, the Company will determine a reasonable percentage mark-up from cost to ensure that the pricing for such products or services to an Interested Person is in accordance with industry norms and usual business practices, strategic direction of the Group and pricing policies of the relevant company in the Group. The reasonable percentage mark-up from cost as determined by the Company shall be subject to the Audit Committee's concurrence. In determining the transaction price or rate payable by the Interested Person for such products and services, factors such as, but not limited to, specifications, quantity, volume, customer requirements, duration of contract, and credit worthiness, will be taken into consideration; and

Annexure

General Mandate for Interested Person Transactions

5. Review Procedures for Interested Person Transactions (Cont'd)

5.1 (Cont'd)

(a) Sale of Lime Products (Cont'd)

(iii) notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions in accordance with the following thresholds:

- (A) contracts and transactions amounting to or exceeding S\$100,000 but less than S\$500,000 in value to be reviewed and approved by the Group Internal Audit Manager;
- (B) contracts and transactions amounting to or exceeding S\$500,000 but less than S\$1,000,000 in value to be reviewed and approved by the Group Internal Audit Manager and any one of the Non-Executive Directors (who does not have an interest in the contracts and/or transactions); or
- (C) contracts and transactions amounting to or exceeding S\$1,000,000 in value to be reviewed and approved by the Audit Committee.

(b) Sale of Consumables Required for Steel Product Manufacturing

The review procedures are as follows:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market prices determined by market conditions on terms which are no more favourable to the Interested Persons than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases and long-term contracts where the giving of such preferential prices/rates/discounts are commonly practised within the applicable industry and may be extended to unrelated third parties), or otherwise in accordance with applicable industry norms. The Company will source for documented evidences of market prices and quotations, where practicable, for ascertaining the reasonableness of the pricing;
- (ii) where the prevailing market prices or rates are not available due to the nature of the products to be sold or the services to be provided and the then prevailing business conditions, the Company will determine a reasonable percentage mark-up from cost to ensure that the pricing for such products or services to an Interested Person is in accordance with industry norms and usual business practices, strategic direction of the Group and pricing policies of the relevant company in the Group. The reasonable percentage mark-up from cost as determined by the Company shall be subject to the Audit Committee's concurrence. In determining the transaction price or rate payable by the Interested Person for such products and services, factors such as, but not limited to, specifications, quantity, volume, customer requirements, duration of contract, and credit worthiness, will be taken into consideration; and

Annexure

General Mandate for Interested Person Transactions

5. Review Procedures for Interested Person Transactions (Cont'd)

5.1 (Cont'd)

- (b) Sale of Consumables Required for Steel Product Manufacturing (Cont'd)
 - (iii) notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions in accordance with the following thresholds:
 - (A) contracts and transactions amounting to or exceeding S\$100,000 but less than S\$2,500,000 in value to be reviewed and approved by the Group Internal Audit Manager;
 - (B) contracts and transactions amounting to or exceeding S\$2,500,000 but less than S\$5,000,000 in value to be reviewed and approved by the Group Internal Audit Manager and any one of the Non-Executive Directors (who does not have an interest in the contracts and/or transactions); or
 - (C) contracts and transactions amounting to or exceeding S\$5,000,000 in value to be reviewed and approved by the Audit Committee.
- (c) Provision and/or Obtaining of Services arising from Business Operations

The review procedures are as follows:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market prices determined by market conditions on terms which are no more favourable to the Interested Persons than the usual commercial terms extended to or obtained from unrelated third parties (including, where applicable, preferential prices/rates/discounts accorded to a class of customers and long-term contracts where the giving of such preferential prices/rates/discounts are commonly practised within the applicable industry and may be extended to or obtained from unrelated third parties), or otherwise in accordance with applicable industry norms. The Company will source for documented evidences of market prices, where practicable, for ascertaining the reasonableness of the pricing;
- (ii) where the prevailing market prices or rates are not available due to the nature of the services to be provided to an Interested Person, the Company will determine a reasonable percentage mark-up from cost or through a formula, to ensure that the pricing for such services to the Interested Person is in accordance with industry norms and usual business practices, strategic direction of the Group and pricing policies of the relevant company in the Group. The reasonable percentage mark-up from cost as determined by the Company shall be subject to the Audit Committee's concurrence. In determining the transaction price or rate payable by the Interested Person for such services, factors such as but not limited to, service requirements, duration of contract, credit worthiness and the benefit of such transactions to the Group, will be taken into consideration;

Annexure

General Mandate for Interested Person Transactions

5. Review Procedures for Interested Person Transactions (Cont'd)

5.1 (Cont'd)

- (c) Provision and/or Obtaining of Services arising from Business Operations (Cont'd)
- (iii) where the prevailing market prices or rates are not available due to the nature of the services to be obtained from an Interested Person, the Company will assess and ensure that the pricing for such services from the Interested Person is not prejudicial to the interests of the Company and its minority Shareholders and/or is in accordance with industry norms and usual business practices. In determining the transaction price or rate payable by the Group for such services, factors such as, but not limited to, service requirements, duration of contract, credit worthiness and the benefit of such transactions to the Group, will be taken into consideration; and
- (iv) notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions in accordance with the following thresholds:
- (A) contracts and transactions amounting to or exceeding S\$100,000 but less than S\$500,000 in value to be reviewed and approved by the Group Internal Audit Manager;
- (B) contracts and transactions amounting to or exceeding S\$500,000 but less than S\$1,000,000 in value to be reviewed and approved by the Group Internal Audit Manager and any one of the Non-Executive Directors (who does not have an interest in the contracts and/or transactions); or
- (C) contracts and transactions amounting to or exceeding S\$1,000,000 in value to be reviewed and approved by the Audit Committee.

The thresholds as set out above are determined by factors which include, *inter alia*, frequency of the contracts/transactions, the market prices of the products/services and the anticipated contract/transaction volume.

5.2 Notwithstanding paragraph 5.1 above, prior approval will have to be sought for any contracts and transactions, in accordance with the following:

where the aggregate value for all the Interested Person Transactions which are not required under the review procedures set out in paragraph 5.1 above to be approved by either (a) the Group Internal Audit Manager and any one of the Non-Executive Directors (who does not have an interest in the contracts and/or transactions); or (b) the Audit Committee, for any particular year,

- (i) amounts to or exceeds S\$10,000,000, any subsequent contracts and transactions with any Interested Person amounting to or exceeding S\$2,500,000 in aggregate value, shall require the approval of the Audit Committee;

Annexure

General Mandate for Interested Person Transactions

5. Review Procedures for Interested Person Transactions (Cont'd)

5.2 (Cont'd)

- (ii) amounts to or exceeds S\$15,000,000, any subsequent contracts and transactions with any Interested Person amounting to or exceeding S\$1,500,000 in aggregate value, shall require the approval of the Audit Committee; or
- (iii) amounts to or exceeds S\$20,000,000, any subsequent contracts and transactions with any Interested Person amounting to or exceeding S\$500,000 in aggregate value, shall require the approval of the Audit Committee.

5.3 Additional Controls

- (a) The Company will maintain a register of transactions carried out with Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into) and those transactions that are below S\$100,000.
- (b) The Company's annual internal audit plan shall incorporate a review of (i) all Interested Person Transactions; and (ii) the established review procedures for monitoring of such Interested Person Transactions, in the relevant financial year pursuant to the IPT Mandate.
- (c) The Audit Committee shall review and approve the maximum value ("Pre-Approved Cap") of Interested Person Transactions for each category of Interested Person Transactions for the forthcoming 12 months or for a shorter period, as may be determined by the Audit Committee. Notwithstanding that a contract or a transaction is within the thresholds set out in paragraphs 5.1(a)(iii), 5.1(b)(iii) or 5.1(c)(iv) above, ratification shall be sought from the Audit Committee should the Pre-Approved Cap for that contract or transaction be breached.
- (d) The Group Internal Audit Manager shall report to the Audit Committee on all Interested Person Transactions, and the basis of such transactions, entered into with Interested Persons during the preceding period at least once every six (6) months (subject to adjustment in frequency, depending on factors such as, *inter alia*, substantial increment of aggregate transactional value). The Audit Committee shall review such Interested Person Transactions at its periodic meetings except where the Interested Person Transactions are required under the established review procedures to be approved by the Audit Committee prior to the entry thereof.
- (e) The Audit Committee will conduct periodic reviews at least once every six (6) months, of the established review procedures for Interested Person Transactions. If, during these periodic reviews, the Audit Committee is of the view that these review procedures are not sufficient to ensure that the Interested Person Transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh IPT Mandate from the Shareholders based on new review procedures for Interested Person Transactions. While a fresh IPT Mandate is being sought from the Shareholders, the Audit Committee shall review and approve all Interested Person Transactions prior to the entry thereof.

Annexure

General Mandate for Interested Person Transactions

5. Review Procedures for Interested Person Transactions (Cont'd)

5.3 Additional Controls (Cont'd)

- (f) For the purposes of the above review and approval process, any Director who is not considered independent for the purposes of the IPT Mandate and/or any Interested Person Transactions will abstain from voting on any resolution relating thereof, and/or abstain from participating in the Audit Committee's decision during its review of the established review procedures for the Interested Person Transactions or during its review or approval of any Interested Person Transaction.

5.4 Further Compliance

The Directors will ensure that all relevant disclosures, approvals and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.

6. Validity Period of the IPT Mandate

If approved by Shareholders at the 51st AGM, the IPT Mandate will take effect from the date of the passing of the ordinary resolution for the renewal of the IPT Mandate, and shall apply in respect of Interested Person Transactions entered or to be entered into from the date of the 51st AGM until the conclusion of the next annual general meeting of the Company or the date by which such annual general meeting is required by law to be held, whichever is the earlier, unless revoked or varied by the Company in a general meeting.

7. Disclosure

Pursuant to Chapter 9 of the Listing Manual, the Company will disclose in its annual report the aggregate value of the Interested Person Transactions entered into under the IPT Mandate during the financial year under review, and in the annual reports of subsequent financial years during which the IPT Mandate is in force. In addition, the Company will announce the aggregate value of the Interested Person Transactions entered into pursuant to the IPT Mandate for the financial periods which it is required to report pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.

8. Directors' and Substantial Shareholders' Interests in the Company

The interests of the Directors and substantial Shareholders of the Company ("Substantial Shareholders") in the shares of the Company as at 30 June 2021 and 15 October 2021 respectively, can be found in pages 124 and 125 of this Annual Report respectively.

9. Abstentions

Tan Sri Cheng Heng Jem, a Non-Executive Director and Controlling Shareholder of the Company. By virtue of his interest in LICB, Tan Sri Cheng will abstain from voting his shares, if any, in respect of the ordinary resolution relating to the renewal of the IPT Mandate.

Annexure

General Mandate for Interested Person Transactions

9. Abstentions (Cont'd)

Mr Lee Whay Keong, a Non-Executive Director, is also a director of certain subsidiaries of LCB, LDHB and LICB, all of which are Interested Persons. By virtue of his directorships in the aforementioned companies, Mr Lee will abstain from voting his shares, if any, in respect of the ordinary resolution relating to the renewal of the IPT Mandate.

Further, Tan Sri Cheng Heng Jem and Mr Lee Whay Keong will decline to accept appointment as proxies to vote and attend at the 51st AGM in respect of the ordinary resolution approving the renewal of the IPT Mandate unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast.

By virtue of their interests in the IPT Mandate, as proposed to be renewed, each of the Substantial Shareholders as set out in page 125 of this Annual Report who are also Controlling Shareholders of the Company, will abstain and will ensure that their associates abstain from voting on the ordinary resolution relating to the renewal of the IPT Mandate at the 51st AGM.

Further, each of the Substantial Shareholders will decline to accept appointment as proxies to vote and attend at the 51st AGM in respect of the ordinary resolution approving the renewal of the IPT Mandate unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast.

10. Directors' Recommendation

The Independent Directors are of the opinion that the renewal of the IPT Mandate is in the best interests of the Company and not prejudicial to the interests of minority Shareholders. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the renewal of the IPT Mandate at the forthcoming 51st AGM.

11. Statement of the Audit Committee

The Audit Committee confirms that:

- (a) The review procedures for determining the transaction prices and terms of the Interested Person Transactions conducted under the IPT Mandate have not changed since the Shareholders' approval of the renewal of the IPT Mandate at the 50th AGM held on 30 October 2020;
- (b) The review procedures referred to in paragraph 11(a) above continue to be sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders; and
- (c) The Company will obtain a fresh mandate from the Shareholders based on new review procedures for Interested Person Transactions if the review procedures referred to in paragraph 11(a) above are no longer sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Annexure

General Mandate for Interested Person Transactions

12. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Annexure and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Annexure constitutes full and true disclosure of all material facts about the renewal of the IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Annexure misleading.

Where information contained in this Annexure has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Annexure in its proper form and context.

General Information relating to Chapter 9 of the Listing Manual

Scope

Chapter 9 of the Listing Manual applies to transactions which an entity at risk proposes to enter into with a counterparty who is an interested person of the entity at risk.

Definitions

An “**associate**” in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means his immediate family (i.e. spouse, child, adopted child, stepchild, sibling and parent), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An “**associate**” in relation to a substantial shareholder or controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

An “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or the listed company and its subsidiaries.

“**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

A “**controlling shareholder**” means a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in a company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder) or one who in fact exercises control over the company.

An “**entity at risk**” means (a) the listed company; (b) any of its subsidiaries that are not listed on the SGX-ST or an approved exchange; or (c) any of its associated companies that are not listed on the SGX-ST or an approved exchange over which the listed company and its subsidiaries, or the listed company and its subsidiaries and their interested person(s), have control.

An “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

Annexure

General Mandate for Interested Person Transactions

General Information relating to Chapter 9 of the Listing Manual (Cont'd)

Definitions (Cont'd)

An “**interested person transaction**” means a transaction between an entity at risk and an interested person, and a “**transaction**” includes (a) the provision or receipt of financial assistance; (b) the acquisition, disposal or leasing of assets; (c) the provision or receipt of goods or services; (d) the issuance or subscription of securities; (e) the granting of or being granted options; and (f) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

General Requirements

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9, immediate announcement, or immediate announcement and shareholders’ approval will be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the latest audited consolidated net tangible assets of the listed company and its subsidiaries), are reached or exceeded. In particular, shareholders’ approval is required where:

- (a) the value of such transaction when aggregated with the values of all other transactions previously entered into with the same interested person (as defined in Chapter 9 of the Listing Manual) in the same financial year of the listed company is equal to or exceeds 5% of the latest audited consolidated net tangible assets of the listed company and its subsidiaries; or
- (b) the value of such transaction is equal to or exceeds 5% of the latest audited consolidated net tangible assets of the listed company and its subsidiaries.

General Mandate

A listed company may seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

Interested Person Transactions

The aggregate value of Interested Person Transactions entered into during the financial year ended 30 June 2021 pursuant to the IPT Mandate obtained under Chapter 9 of the Listing Manual is set out as follows:

Name of Interested Person	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under IPT Mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under IPT Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Associate of Tan Sri Cheng Heng Jem, a Director and a Substantial Shareholder of the Company		
<u>Sales of lime products</u> Amsteel Mills Sdn Bhd	–	2,817
<u>Sales of steel consumables</u> Amsteel Mills Sdn Bhd	–	2,196

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

LION ASIAPAC LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 196800586R)

Directors:

Sam Chong Keen (Chairman)
Loh Kgai Mun (Executive Director)
Tan Sri Cheng Heng Jem
Cheng Theng How
Dr Chua Siew Kiat
Lee Whay Keong

Registered Office:

10 Arumugam Road
#10-00 LTC Building A
Singapore 409957

11 November 2021

To: The Shareholders of Lion Asiapac Limited

Dear Sir/Madam,

LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

All capitalised terms herein shall bear the meanings ascribed to them in the schedule titled "Definitions" to this Letter.

1. INTRODUCTION

- 1.1 The Directors wish to refer Shareholders to the Notice of AGM convening the AGM, and in particular, Ordinary Resolution 10 as set out in the Notice of AGM in relation to the proposed renewal of the Share Buyback Mandate.
- 1.2 The purpose of this Letter is to provide Shareholders with information relating to the proposed renewal of the Share Buyback Mandate, and to seek Shareholders' approval for the same at the AGM.

If you are in any doubt as to the contents herein or as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Shares, you should immediately forward this Letter to the purchaser or the transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

- 1.3 The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Letter.
- 1.4 WongPartnership LLP is the Singapore legal adviser to the Company for this Letter.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 The Proposed Renewal of the Share Buyback Mandate

It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. In this regard, the Share Buyback Mandate was first approved by Shareholders at the annual general meeting of the Company held on 30 October 2020. The Company proposes to renew the Share Buyback Mandate, subject to Shareholders' approval at the AGM, to enable the Directors to continue to exercise all powers of the Company to purchase or otherwise acquire the Shares on the terms of the Share Buyback Mandate.

Unless renewed, the Share Buyback Mandate will expire on the date of the AGM. In this regard, the Company proposes to renew the Share Buyback Mandate for the Company to make market and off-market buybacks of Shares from time to time of up to 10% of the total number of Shares (excluding treasury shares and subsidiary holdings) in accordance with the terms set out below.

2.2 Rationale for the Share Buyback Mandate

The approval of the renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions up to the 10% limit described in paragraph 2.3.1 below at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) in managing the business of the Group, the management team strives to increase shareholder value by improving, *inter alia*, the return on equity of the Group. A Share purchase is one of the ways in which the return on equity of the Group may be enhanced; and
- (b) the Share Buyback Mandate is an expedient, effective and cost-efficient way for the Company to return to Shareholders surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and possible investment needs of the Group, if any. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial condition of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

2.3 Authority and Limits on the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the AGM (excluding treasury shares and subsidiary holdings) at which the renewal of the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the Court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered by the special resolution of the Company or the order of the Court, as the case may be. Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, based on the general rule in the foregoing paragraph, on the basis of 81,104,539 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, and that the Company does not reduce its share capital, not more than 8,110,453 Shares (representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate during the Relevant Period.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Buyback Mandate is approved, up to:

- (a) the date on which the next annual general meeting is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting; or
- (c) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in any general meeting of the Company, such as at the next annual general meeting or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.3.3 Manner of Purchase or Acquisition

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose, in accordance with Section 76E of the Companies Act; and/or
- (b) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, differences in consideration attributable to the fact that offers may relate to Shares with different amounts remaining unpaid, and differences in offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (7) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses (“**related expenses**”)) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 105% of the Average Closing Price (as defined hereinafter),

(the “**Maximum Price**”), in either case, excluding related expenses.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

For the above purposes:

“Average Closing Price” means the average of the closing market prices of the Shares traded on the SGX-ST over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase; and

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased or Acquired Shares

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. The total number of issued Shares will be diminished by the number of issued Shares purchased or acquired by the Company which are not held as treasury shares. It is presently intended by the Company that all or a significant portion of the Shares which are purchased or acquired by the Company under the Share Buyback Mandate will be cancelled.

All Shares purchased or acquired by the Company (unless held as treasury shares by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 Maximum Holdings

The aggregate number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

2.5.2 Voting and Other Rights

The Company cannot exercise any rights in respect of treasury shares and any purported exercise of such right is void. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully-paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed if the total value of the treasury shares after the subdivision or consolidation, is the same as the total value of the treasury shares before the subdivision or consolidation, as the case may be.

2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

2.6 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Directors shall lodge a copy of such resolution with the Registrar.

The Directors shall notify the Registrar within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition including the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other information as required by the Companies Act.

The Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

2.7 Source of Funds

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group.

2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA per Share and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total number of issued Shares will be diminished by the total number of Shares purchased by the Company and which are not held as treasury shares. The NTA of the Group will be reduced by the aggregate purchase price (including any expenses such as brokerage and commission) paid by the Company for the Shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The purchase or acquisition of Shares will only be effected by the Company after the Directors have considered relevant factors such as the working capital requirements, the availability of financial resources and the expansion and investment plans of the Group, and the prevailing market conditions.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Company and the Group, based on the audited financial statements of the Group for the financial year ended 30 June 2021 are based on the assumptions set out below:

- (a) based on 81,104,539 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued and no reduction of share capital of the Company takes place, not more than 8,110,453 Shares (representing 10% of the total number of issued Shares as at the date of the AGM (excluding treasury shares and subsidiary holdings)) may be purchased by the Company pursuant to the Share Buyback Mandate (if renewed);

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 8,110,453 Shares at the Maximum Price of \$0.473 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 8,110,453 Shares (excluding related expenses) is approximately \$3,836,244.27; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 8,110,453 Shares at the Maximum Price of \$0.473 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 8,110,453 Shares (excluding related expenses) is approximately \$3,836,244.27.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that:

- (i) such purchase or acquisition of Shares is made entirely out of capital and financed solely by internal sources of funds;
- (ii) the Share Buyback Mandate had been effective on 1 July 2020;
- (iii) the Company had purchased or acquired 8,110,453 Shares on 1 July 2020; and
- (iv) related expenses incurred directly in the purchases or acquisitions by the Company of the Shares at the relevant time are not taken into account,

the financial effects of:

- (1) the purchase or acquisition of 8,110,453 Shares by the Company in a Market Purchase or Off-Market Purchase, where such Shares are held as treasury shares; and
- (2) the purchase or acquisition of 8,110,453 Shares by the Company in a Market Purchase or Off-Market Purchase, where such Shares are cancelled,

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

on the audited financial statements of the Group and the Company for the financial year ended 30 June 2021 pursuant to the Share Buyback Mandate, are summarised in the following tables:

(A) Market Purchase or Off-Market Purchase of 8,110,453 Shares and 8,110,453 Shares are held as treasury shares

As at 30 June 2021	Group			Company		
	Before Share Purchase \$'000	After Market Purchase \$'000	After Off-Market Purchase \$'000	Before Share Purchase \$'000	After Market Purchase \$'000	After Off-Market Purchase \$'000
Issued capital and reserves	77,084	77,084	77,084	72,095	72,095	72,095
Treasury shares	–	(3,836)	(3,836)	–	(3,836)	(3,836)
NTA ⁽¹⁾	75,807	71,971	71,971	72,095	68,259	68,259
Total equity	77,084	73,248	73,248	72,095	68,259	68,259
Current assets	75,476	71,640	71,640	10,068	6,232	6,232
Current liabilities	2,922	2,922	2,922	1,246	1,246	1,246
Working capital	72,198	68,362	68,362	8,821	4,985	4,985
Total borrowings	–	–	–	–	–	–
Cash and cash equivalents	64,206	60,370	60,370	10,044	6,208	6,208
Profit after tax and non-controlling interests	937	937	937	2,054	2,054	2,054
Number of Shares (excluding treasury shares) ('000)	81,105	72,995	72,995	81,105	72,995	72,995
Treasury shares ('000)	–	8,110	8,110	–	8,110	8,110
Financial ratios						
NTA per Share (\$)	0.93	0.99	0.99	0.89	0.94	0.94
EPS (cents) ⁽²⁾	1.16	1.28	1.28	2.53	2.81	2.81
Current ratio (times) ⁽³⁾	26	25	25	8	5	5
Net gearing ratio (%) ⁽⁴⁾	–	–	–	–	–	–

Notes:

- (1) NTA equals total equity less minority interest less intangible assets.
- (2) For illustrative purposes, EPS is computed based on profit after tax and the number of Shares as shown in the corresponding row in the table above.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) Net gearing ratio equals total debts net of cash and cash equivalents, divided by total equity.

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(B) Market Purchase or Off-Market Purchase of 8,110,453 Shares and 8,110,453 Shares are cancelled

As at 30 June 2021	Group			Company		
	Before Share Purchase \$'000	After Market Purchase \$'000	After Off-Market Purchase \$'000	Before Share Purchase \$'000	After Market Purchase \$'000	After Off-Market Purchase \$'000
Issued capital and reserves	77,084	77,084	77,084	72,095	72,095	72,095
NTA ⁽¹⁾	75,807	71,971	71,971	72,095	68,259	68,259
Total equity	77,084	73,248	73,248	72,095	68,259	68,259
Current assets	75,476	71,640	71,640	10,068	6,232	6,232
Current liabilities	2,922	2,922	2,922	1,246	1,246	1,246
Working capital	72,198	68,362	68,362	8,821	4,985	4,985
Total borrowings	–	–	–	–	–	–
Cash and cash equivalents	64,206	60,370	60,370	10,044	6,208	6,208
Profit after tax and non-controlling interests	937	937	937	2,054	2,054	2,054
Number of Shares ('000)	81,105	72,995	72,995	81,105	72,995	72,995
Financial ratios						
NTA per Share (\$)	0.94	0.99	0.99	0.89	0.94	0.94
EPS (cents) ⁽²⁾	1.16	1.28	1.28	2.53	2.81	2.81
Current ratio (times) ⁽³⁾	26	25	25	8	5	5
Net gearing ratio (%) ⁽⁴⁾	–	–	–	–	–	–

Notes:

- (1) NTA equals total equity less minority interest less intangible assets.
- (2) For illustrative purposes, EPS is computed based on profit after tax and the number of Shares as shown in the corresponding row in the table above.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) Net gearing ratio equals total debts net of cash and cash equivalents, divided by total equity.

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Shareholders should note that the financial effects set out above are purely for illustrative purposes only and based on the abovementioned assumptions. In particular, it is important to note that the above pro-forma financial analysis is based on the audited historical numbers for the financial year ended 30 June 2021, and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate (if renewed) would authorise the Company to purchase up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as determined in accordance with the applicable provisions of the Companies Act, the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the purchased Shares or hold all or part of the purchased Shares in treasury.

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional tax advisers.

2.9 Take-over Implications

Appendix 2 to the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of the Shares, the percentage of voting rights in the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons will be presumed to be acting in concert:

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

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- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of the individual, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and their concert parties respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 to the Take-over Code.

2.9.3 Effect of Rule 14 of and Appendix 2 to the Take-over Code

In general terms, the effect of Rule 14 of and Appendix 2 to the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Letter to Shareholders

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Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on substantial shareholding notifications received by the Company under Part VII of the Securities and Futures Act as at the Latest Practicable Date, as set out in paragraph 3 below, none of the Substantial Shareholders of the Company would become obliged to make a mandatory offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council of Singapore and/or their professional advisers at the earliest opportunity.

2.10 Listing Manual

While the Listing Manual does not expressly prohibit purchases or acquisitions of shares by a listed company during any particular time or times, the Company, in line with Rule 1207(19)(c) of the Listing Manual, will not purchase or acquire any Shares through Market Purchases during the following periods:

- (a) if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise, two weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements; or
- (b) if the Company does not announce its quarterly financial statements, one month immediately preceding the announcement of the Company's half year and full year financial statements.

The Company's decision to purchase or acquire Shares would only be made with an arrangement that could reasonably be expected to ensure that information that is not generally available would not be communicated or informed to the person within the Company who makes the decision to transact.

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its listed securities (excluding treasury shares, preference shares and convertible equity securities) are in the hands of the public. The "public", as defined in the Listing Manual, are persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

As at the Latest Practicable Date, 27,041,859 Shares, representing approximately 33.34% of the total number of issued Shares (excluding treasury shares), are held in the hands of the public. Assuming that the Company purchases the aggregate of 8,110,453 Shares through Market Purchases, being the full 10% limit pursuant to the Share Buyback Mandate from the public (as defined in the Listing Manual), the number of Shares in the hands of the public would be reduced to 18,931,406 Shares, representing approximately 25.94% of the issued Shares of the Company (excluding treasury shares). Accordingly, the Company is of the view that there is a sufficient number of Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate (if renewed) without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11 Previous Share Buybacks

The Company has not purchased any Shares during the 12-month period preceding the Latest Practicable Date.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders, respectively, are as follows:

Director	Direct Interest		Deemed Interest*	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Mr Sam Chong Keen	–	–	–	–
Mr Loh Kgai Mun	–	–	–	–
Tan Sri Cheng Heng Jem	–	–	54,062,680	66.66
Mr Cheng Theng How	–	–	–	–
Dr Chua Siew Kiat	–	–	–	–
Mr Lee Whay Keong	–	–	–	–

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Substantial Shareholder	Direct Interest		Deemed Interest*	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Omali Corporation Sdn Bhd ⁽²⁾	24,312,552	29.98	–	–
Bright Steel Sdn Bhd ⁽³⁾	–	–	24,312,552	29.98
Total Triumph Investments Limited ⁽³⁾	–	–	24,312,552	29.98
Lion Corporation Berhad ⁽⁴⁾	–	–	24,312,552	29.98
Lion Diversified Holdings Berhad (in liquidation) ⁽⁵⁾	–	–	24,312,552	29.98
AMB Venture Sdn Bhd ⁽⁶⁾	29,750,128	36.68	–	–
Lion AMB Resources Sdn Bhd ⁽⁷⁾	–	–	29,750,128	36.68
Lion Posim Berhad ⁽⁷⁾	–	–	29,750,128	36.68
Amsteel Mills Sdn Bhd ⁽⁷⁾	–	–	29,750,128	36.68
Steelcorp Sdn Bhd ⁽⁷⁾	–	–	29,750,128	36.68
LLB Steel Industries Sdn Bhd ⁽⁷⁾	–	–	29,750,128	36.68
Lion Industries Corporation Berhad ⁽⁸⁾	–	–	54,062,680	66.66
Tan Sri Cheng Heng Jem ⁽⁹⁾	–	–	54,062,680	66.66

Notes:

* Deemed interests pursuant to Section 7 of the Companies Act.

- (1) Based on the total number of issued Shares of 81,104,539 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date. The Company does not have any treasury shares or subsidiary holdings as at the Latest Practicable Date.
- (2) Omali Corporation Sdn Bhd ("**Omali**") is the beneficial and registered owner of 24,312,552 Shares.
- (3) Bright Steel Sdn Bhd and Total Triumph Investments Limited are deemed interested in the 24,312,552 Shares held by Omali.
- (4) Lion Corporation Berhad ("**LCB**"), as the ultimate holding company of Omali, is deemed interested in the 24,312,552 Shares held by Omali.
- (5) Lion Diversified Holdings Berhad (in liquidation) ("**LDHB**") is deemed interested in the 24,312,552 Shares held by Omali by virtue of its interest in LCB.
- (6) AMB Venture Sdn Bhd ("**AMBV**") is the beneficial and registered owner of 29,750,128 Shares.
- (7) Lion AMB Resources Sdn Bhd, Lion Posim Berhad, Amsteel Mills Sdn Bhd, Steelcorp Sdn Bhd and LLB Steel Industries Sdn Bhd are deemed interested in the 29,750,128 shares held by AMBV.
- (8) Lion Industries Corporation Berhad ("**LICB**") is deemed interested in (a) the 29,750,128 shares held by AMBV as it is the ultimate holding company of AMBV, and (b) the 24,312,552 shares held by Omali by virtue of its interest in LCB.
- (9) Tan Sri Cheng Heng Jem, by virtue of his interest in LICB, is deemed interested in (a) the 29,750,128 shares held by AMBV, and (b) the 24,312,552 shares held by Omali.

4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of Ordinary Resolution 10 as set out in the Notice of AGM in respect of the renewal of the Share Buyback Mandate to be proposed at the AGM.

5. ANNUAL GENERAL MEETING

The AGM will be conducted by electronic means in place of a physical meeting on Tuesday, 30 November 2021 at 11.00 a.m. for the purpose of, *inter alia*, considering and, if thought fit, passing the resolutions as set out in the Notice of AGM.

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The Proposed Renewal of the Share Buyback Mandate

6. ACTION TO BE TAKEN BY SHAREHOLDERS

As stated in the Notice of AGM, the AGM will be conducted by electronic means in place of a physical meeting and members will NOT be able to attend the AGM in person. Instead, members may participate in the AGM by observing and/or listening to the AGM proceedings contemporaneously via a live webcast and live audio feed of the AGM proceedings ("**Live AGM Webcast**" and "**Live AGM Audio Feed**", respectively).

Please refer to the Notice of AGM for details of how to pre-register for the Live AGM Webcast and Live AGM Audio Feed, how you can submit your questions to the Company, and how you can have your votes cast on your behalf through appointing the Chairman of the AGM as proxy. The Notice of AGM also sets out separate instructions applicable to persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who have acquired Shares using CPF and/or SRS monies, and who wish to participate in the AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in the Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957, during normal business hours from the date of this Letter up to and including the date of the AGM:

- (a) the Annual Report; and
- (b) the Constitution.

Yours faithfully,
For and on behalf of
**the Board of Directors of
Lion Asiapac Limited**

Sam Chong Keen
Chairman

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

SCHEDULE

DEFINITIONS

In this Letter, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

- “AGM”** : Annual general meeting of the Company to be held on 30 November 2021.
- “Annual Report”** : The annual report of the Company for the financial year ended 30 June 2021.
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Average Closing Price”** : Has the meaning ascribed to it in paragraph 2.3.4 of this Letter.
- “CDP”** : The Central Depository (Pte) Limited.
- “Companies Act”** : The Companies Act (Chapter 50 of Singapore), as amended, modified or supplemented from time to time.
- “Company”** : Lion Asiapac Limited.
- “concert parties”** : Has the meaning ascribed to it in paragraph 2.9.2 of this Letter.

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“<u>Constitution</u>”	:	The constitution of the Company, as amended, modified or supplemented from time to time.
“<u>Control</u>”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
“<u>Controlling Shareholder</u>”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises Control over the Company.
“<u>Court</u>”	:	The High Court of the Republic of Singapore or a judge thereof.
“<u>day of the making of the offer</u>”	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Letter.
“<u>Director</u>”	:	A director of the Company for the time being.
“<u>EPS</u>”	:	Earnings per Share.
“<u>Group</u>”	:	The Company and its subsidiaries.
“<u>Latest Practicable Date</u>”	:	15 October 2021, being the latest practicable date prior to the finalisation of this Letter.
“<u>Letter</u>”	:	This letter to Shareholders dated 11 November 2021.
“<u>Listing Manual</u>”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time.
“<u>Live AGM Audio Feed</u>”	:	Has the meaning ascribed to it in paragraph 6 of this Letter.
“<u>Live AGM Webcast</u>”	:	Has the meaning ascribed to it in paragraph 6 of this Letter.
“<u>Market Day</u>”	:	A day on which the SGX-ST is open for trading in securities.
“<u>Market Purchases</u>”	:	Has the meaning ascribed to it in paragraph 2.3.3 of this Letter.
“<u>Maximum Price</u>”	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Letter.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

- “Notice of AGM”** : The notice of AGM as set out on pages 126 to 134 of the Annual Report.
- “NTA”** : Net tangible assets.
- “Off-Market Purchases”** : Has the meaning ascribed to it in paragraph 2.3.3 of this Letter.
- “Registrar”** : The Registrar of Companies.
- “related expenses”** : Has the meaning ascribed to it in paragraph 2.3.4 of this Letter.
- “Relevant Period”** : The period commencing from the date on which the renewal of the Share Buyback Mandate is approved by the Shareholders and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier.
- “Securities Account”** : A securities account maintained by a depositor with CDP but not including a securities sub-account maintained with a depository agent.
- “Securities and Futures Act”** : The Securities and Futures Act (Chapter 289 of Singapore), as amended, modified or supplemented from time to time.
- “SGX-ST”** : Singapore Exchange Securities Trading Limited.
- “Share Buyback Mandate”** : General and unconditional mandate given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in Ordinary Resolution 10 as set out in the Notice of AGM, as more particularly described in this Letter and in accordance with the rules and regulations set forth in the Companies Act and the Listing Manual.
- “Shareholders”** : Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term “**Shareholders**” shall mean the depositors who have Shares credited to their Securities Accounts.
- “Shares”** : Ordinary shares in the capital of the Company.
- “subsidiary holdings”** : Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.
- “Substantial Shareholder”** : A shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the Company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the Company.

Letter to Shareholders

The Proposed Renewal of the Share Buyback Mandate

“Take-over Code” : The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time.

“\$” and “cents” : Singapore dollars and cents, respectively.

“%” : Per centum or percentage.

The terms “**depositor**”, “**depository agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include individuals, firms and corporations.

Any reference in this Letter to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof and used in this Letter shall have the meaning assigned to it under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

Summaries of the provisions of any laws and regulations (including the Take-over Code and the Listing Manual) contained in this Letter are of such laws and regulations (including the Take-over Code and the Listing Manual) as at the Latest Practicable Date.

The headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.

Any reference to a time of day in this Letter is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Letter between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Letter may not be an arithmetic aggregation of the figures that precede them.

Shareholding Statistics

As At 15 October 2021

Issued and Fully Paid-up Capital	:	\$47,494,085.40
No. of Shares Issued	:	81,104,539
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote per share
No. of Treasury Shares and Subsidiary Holdings Held	:	Nil

<u>Size of Shareholdings</u>	<u>No. of Shareholders</u>	<u>% of Shareholders</u>	<u>No. of Shares</u>	<u>% of Shares</u>
1 – 99	4	0.14	200	0.00
100 – 1,000	1,135	38.33	846,042	1.04
1,001 – 10,000	1,530	51.67	5,678,289	7.00
10,001 – 1,000,000	288	9.72	15,848,373	19.54
1,000,001 & above	4	0.14	58,731,635	72.42
Total	2,961	100.00	81,104,539	100.00

TWENTY LARGEST SHAREHOLDERS

<u>Name of Shareholders</u>	<u>No. of Shares</u>	<u>% of Shares</u>
AMB Venture Sdn Bhd	29,750,128	36.68
Omali Corporation Sdn Bhd	24,312,552	29.98
DBS Nominees Pte Ltd	2,898,180	3.58
Andar Investment Pte Ltd	1,770,775	2.18
ABN AMRO Clearing Bank N.V.	648,200	0.80
See Beng Lian Janice	605,500	0.75
Ng Hian Gay	603,200	0.74
Gordon Cai Zhen Qiang	544,500	0.67
OCBC Securities Private Ltd	527,800	0.65
Morph Investments Ltd	494,000	0.61
Allan Chua Tiang Kwang	480,000	0.59
Maybank Kim Eng Securities Pte Ltd	434,600	0.54
Phillip Securities Pte Ltd	423,600	0.52
Tan Kay Yeong	370,000	0.46
Cheong Soh Chin @ Julie	320,000	0.39
Estate of Tan Boon Kay, deceased	320,000	0.39
Hexacon Construction Pte Ltd	309,400	0.38
Citibank Nominees Singapore Pte Ltd	271,500	0.34
Lim Thiam Hong	269,000	0.33
Loh Kwok Meng	202,400	0.25
Total	65,555,335	80.83

SHAREHOLDING HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 15 October 2021, approximately 33.34% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Shareholding Statistics

As At 15 October 2021

SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

Substantial Shareholder	Number of Shares		Total Percentage Interest (%)
	Direct Interest	Deemed Interest*	
Omali Corporation Sdn Bhd ⁽¹⁾	24,312,552	–	29.98
Bright Steel Sdn Bhd ⁽²⁾	–	24,312,552	29.98
Total Triumph Investments Limited ⁽²⁾	–	24,312,552	29.98
Lion Corporation Berhad ⁽³⁾	–	24,312,552	29.98
Lion Diversified Holdings Berhad (In liquidation) ⁽⁴⁾	–	24,312,552	29.98
AMB Venture Sdn Bhd ⁽⁵⁾	29,750,128	–	36.68
Lion AMB Resources Sdn Bhd ⁽⁶⁾	–	29,750,128	36.68
Lion Posim Berhad ⁽⁶⁾	–	29,750,128	36.68
Amsteel Mills Sdn Bhd ⁽⁶⁾	–	29,750,128	36.68
Steelcorp Sdn Bhd ⁽⁶⁾	–	29,750,128	36.68
LLB Steel Industries Sdn Bhd ⁽⁶⁾	–	29,750,128	36.68
Lion Industries Corporation Berhad ⁽⁷⁾	–	54,062,680	66.66
Tan Sri Cheng Heng Jem ⁽⁸⁾	–	54,062,680	66.66

Notes:

* Deemed interests pursuant to Section 7 of the Companies Act, Chapter 50 of Singapore.

- (1) Omali Corporation Sdn Bhd (“Omali”) is the beneficial and registered owner of 24,312,552 shares.
- (2) Bright Steel Sdn Bhd and Total Triumph Investments Limited are deemed interested in the 24,312,552 shares held by Omali.
- (3) Lion Corporation Berhad (“LCB”), as the ultimate holding company of Omali, is deemed interested in the 24,312,552 shares held by Omali.
- (4) Lion Diversified Holdings Berhad (In liquidation) (“LDHB”) is deemed interested in the 24,312,552 shares held by Omali by virtue of its interest in LCB.
- (5) AMB Venture Sdn Bhd (“AMBV”) is the beneficial and registered owner of 29,750,128 shares.
- (6) Lion AMB Resources Sdn Bhd, Lion Posim Berhad, Amsteel Mills Sdn Bhd, Steelcorp Sdn Bhd and LLB Steel Industries Sdn Bhd are deemed interested in the 29,750,128 shares held by AMBV.
- (7) Lion Industries Corporation Berhad (“LICB”) is deemed interested in (a) the 29,750,128 shares held by AMBV as it is the ultimate holding company of AMBV, and (b) the 24,312,552 shares held by Omali by virtue of its interest in LCB.
- (8) Tan Sri Cheng Heng Jem, by virtue of his interest in LICB, is deemed interested in (a) the 29,750,128 shares held by AMBV, and (b) the 24,312,552 shares held by Omali.

Notice of 51st Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 51st Annual General Meeting of Lion Asiapac Limited (the “Company”) will be held on Tuesday, 30 November 2021 at 11.00 a.m. via electronic means to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors’ Statement, Audited Financial Statements, and the Independent Auditor’s Report for the financial year ended 30 June 2021. **Ordinary Resolution 1**
2. To declare a one-tier tax-exempt final dividend of 1 cent per share for the financial year ended 30 June 2021. **Ordinary Resolution 2**
3. To re-elect Mr Lee Whay Keong, a Director retiring pursuant to Article 98 of the Constitution of the Company and who, being eligible, offers himself for re-election. **Ordinary Resolution 3**
4. To re-elect Mr Sam Chong Keen, a Director retiring pursuant to Article 98 of the Constitution of the Company and who, being eligible, offers himself for re-election. **Ordinary Resolution 4**
5. Contingent upon the passing of Ordinary Resolution 4 and pursuant to Rule 210(5)(d) (iii) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) which will take effect from 1 January 2022, shareholders of the Company (“Shareholders”), excluding the Directors, the chief executive officer and their respective associates (as defined in the Listing Manual of the SGX-ST), to approve the continued appointment of Mr Sam Chong Keen as an Independent Director, and that upon due approval, such approval shall remain in force until the earlier of: (a) his retirement or resignation as Director; or (b) the conclusion of the third Annual General Meeting (“AGM”) following the passing of this Ordinary Resolution. **Ordinary Resolution 5**
6. To approve the payment of S\$112,000 as Directors’ fees for the financial year ended 30 June 2021 (2020: S\$114,000). **Ordinary Resolution 6**
7. To re-appoint RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

8. **General Mandate to Directors to Issue Shares and Convertible Securities** **Ordinary Resolution 8**

“That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “Companies Act”), authority be and is hereby given to the Directors of the Company to:

 - (a) (i) issue shares in the capital of the Company (“Shares”) (whether by way of rights, bonus or otherwise); or

Notice of 51st Annual General Meeting

- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution is in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to such authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) for the time being (as determined in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) for the time being (as determined in accordance with sub-paragraph (2) below);
- (2) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time that this Ordinary Resolution is passed, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of convertible securities;
 - (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time that this Ordinary Resolution is passed; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance is waived by the SGX-ST) and the Constitution of the Company for the time being; and

Notice of 51st Annual General Meeting

- (4) (unless previously revoked or varied by the Company in general meeting) the authority conferred by this Ordinary Resolution to issue Shares shall continue in force until the conclusion of the next AGM of the Company or the date by which such AGM is required by law to be held (whichever is the earlier)."

9. **Renewal of the General Mandate for Interested Person Transactions**

Ordinary Resolution 9

"That:

- (a) approval be and is hereby given for the renewal of the general mandate for the Company, its subsidiaries and associated companies (collectively, the "Group") which fall within the definition of "entities at risk" under Chapter 9 of the Listing Manual of the SGX-ST or any of them to enter into the transactions falling within the categories of interested person transactions ("Interested Person Transactions") set out on pages 92 and 93 of the Company's 2021 Annual Report (the "Annual Report"), with any party who is of the class or classes of interested persons described on pages 92 and 93 of the Annual Report, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders, and are entered into in accordance with the review procedures for Interested Person Transactions as set out on pages 93 to 98 of the Annual Report (such general mandate, hereinafter called the "IPT Mandate");
- (b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which such AGM is required by law to be held, whichever is the earlier;
- (c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors and each of them be and are hereby authorised and empowered to complete and to do all such other acts and things as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the IPT Mandate."

Notice of 51st Annual General Meeting

10. The Proposed Renewal of the Share Buyback Mandate

Ordinary Resolution 10

“That:

(a) for the purposes of the Companies Act, the authority conferred on the Directors to exercise all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchase(s) (each a “Market Purchase”) on the SGX-ST; and/or
- (ii) off-market purchase(s) (each an “Off-Market Purchase”) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby approved generally and unconditionally (the “Share Buyback Mandate”);

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next AGM is held or required by law to be held; and
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Resolution:

“Maximum Limit” means that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Ordinary Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings from time to time); and

Notice of 51st Annual General Meeting

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 105% of the Average Closing Price,

where:

“Relevant Period” means the period commencing from the date on which this Ordinary Resolution is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Ordinary Resolution;

“Average Closing Price” means the average of the closing market prices of the Shares traded on the SGX-ST over the last five Market Days (a “Market Day” being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase; and

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

By Order of the Board

Lah Ling San
Company Secretary

Singapore

11 November 2021

Notice of 51st Annual General Meeting

Explanatory Notes:

Ordinary Resolution 3 – Subject to his re-election, Mr Lee Whay Keong, a Non-Executive Director of the Company, will continue to serve as a member of the Board.

Ordinary Resolutions 4 and 5 – Subject to his re-election under Ordinary Resolutions 4 and 5, Mr Sam Chong Keen, the Chairman and Independent Director of the Company, will continue to serve as a chairman of the Audit Committee, Nominating Committee, and Remuneration Committee. As at the date of this Notice, Mr Sam Chong Keen has served on the Board for more than nine years. Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, which will take effect from 1 January 2022, Mr Sam Chong Keen will not be considered an Independent Director on 1 January 2022 unless his appointment as an Independent Director is approved in separate resolutions by (A) all Shareholders (see Ordinary Resolution 4, tabled pursuant to Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST), and (B) all Shareholders, excluding the Directors, the chief executive officer, and their associates (see Ordinary Resolution 5, tabled pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST). Ordinary Resolutions 4 and 5, if passed, will enable Mr Sam Chong Keen to continue his appointment as an Independent Director pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST and Provision 2.1 of the Code of Corporate Governance 2018 and the approvals shall remain in force until the earlier of (a) his retirement or resignation; or (b) the conclusion of the third AGM of the Company following the passing of these resolutions. If only Ordinary Resolution 4 is passed, Mr Sam Chong Keen will continue to serve as an Independent Director until 31 December 2021, and after such date, as a Non-independent Non-executive Director of the Company until the date of his retirement or resignation as a Director of the Company. If Ordinary Resolution 4 is not passed, Ordinary Resolution 5 will not be put to the vote in the interests of efficiency.

For the NC and Board's assessment of Mr Sam Chong Keen's independence, please refer to pages 13 and 14 of the Annual Report for further details.

For the purpose of Ordinary Resolution 5, in accordance with Rule 210(5)(b)(iii)(B) of the Listing Manual of the SGX-ST (which will come into effect on 1 January 2022), all the Directors of the Company (as well as the chief executive officer, if he is not also a Director) and their respective associates (as defined in the Listing Manual of the SGX-ST) shall abstain from voting in respect of each of their shareholdings on Ordinary Resolution 5. The Company will disregard any votes cast by or on behalf of such persons on Ordinary Resolution 5. The Chairman of the AGM will accept appointment as proxy for any other Shareholder to vote in respect of Ordinary Resolution 5 if such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting, in respect of Ordinary Resolution 5.

In relation to Ordinary Resolutions 3 and 4, please refer to the "Additional Information on Directors Standing for Re-election" section in the Annual Report for more information.

Ordinary Resolution 8 – If passed, will empower the Directors of the Company to issue Shares and convertible securities in the capital of the Company of up to and not exceeding in aggregate 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the issue of Shares and convertible securities other than on a pro rata basis shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), for such purposes as they consider would be in the interests of the Company. This authority shall, unless revoked or varied by the Company in a general meeting, expire at the next AGM of the Company or the date by which such AGM is required by law to be held, whichever is the earlier.

Ordinary Resolution 9 – If passed, will enable the Group to enter into certain recurring Interested Person Transactions as described on pages 92 and 93 of the Annual Report and will empower the Directors to do all acts necessary to give effect to the IPT Mandate. This authority shall, unless revoked or varied by the Company in a general meeting, expire at the next AGM of the Company or the date by which such AGM is required by law to be held, whichever is the earlier.

Ordinary Resolution 10 – If passed, will empower the Directors to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate as set out in the resolution and the Company's letter to shareholders dated 11 November 2021 (the "Letter"). Please refer to the said Letter for more details. The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The amount of financing required and the impact of the Company's financial position cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or acquired are cancelled or held as treasury shares. Illustrative financial effects of the Share Buyback Mandate are set out in paragraph 2.8 of the said Letter.

Notice of 51st Annual General Meeting

Important Notes:

The AGM of the Company for financial year ended 30 June 2021 will be conducted by electronic means in place of a physical meeting and members will NOT be able to attend the AGM in person. Instead, members may participate in the AGM by observing and/or listening to the AGM proceedings contemporaneously via a live webcast and live audio feed of the AGM proceedings ("Live AGM Webcast" and "Live AGM Audio Feed", respectively).

Printed copies of this notice and the accompanying Annual Report and Proxy Form will NOT be sent to members. Instead, these documents will be sent to members solely by electronic means via publication on the Company's website at the URL <http://www.lionasiapac.com/index.php/investors> and will also be made available on the Singapore Exchange's website at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders should take note of the following arrangements for the AGM and follow the relevant procedures and/or instructions:

Live AGM Webcast and Live AGM Audio Feed:

In light of the above developments, the Company is arranging for the Live AGM Webcast and the Live AGM Audio Feed which will take place on Tuesday, 30 November 2021 at 11.00 a.m. in place of the physical AGM. Members will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed via mobile phone, tablet, computer or any such electronic device. The Company will not accept any physical attendance by members. Any member seeking to attend the AGM physically in person will be turned away.

In order to do so, members must pre-register online at the URL <https://conveneagm.com/sg/lionasiapac> by 11.00 a.m. on 27 November 2021 (the "Registration Deadline"), being not less than 72 hours before the time appointed for holding the AGM, to enable the Company to verify their members' status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live AGM Webcast and the Live AGM Audio Feed of the AGM proceedings by 11.00 a.m. on 29 November 2021 (being 24 hours before the time appointed for the holding of the AGM).

Members are reminded that the AGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast and the Live AGM Audio Feed.

Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 11.00 a.m. on 29 November 2021 may contact the Share Registrar, B.A.C.S. Private Limited via email at main@zicoholdings.com for assistance.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who buy Shares using CPF and/or SRS monies ("CPF and SRS Investors"), and who wish to participate in the AGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include CPF and SRS Operators) through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

Submission of Questions in Advance:

Please note that members will not be able to raise questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the AGM.

Members may submit questions relating to the Annual Report and resolutions set out in the Notice of AGM in advance at (i) <https://conveneagm.com/sg/lionasiapac>; or (ii) by post to the registered office of the Company at 10 Arumugam Road #10-00 LTC Building A, Singapore 409957. All questions must be submitted by 11.00 a.m. on 27 November 2021 (being 72 hours before the time appointed for the holding of the AGM).

A member who wishes to submit his/her/its questions by post is required to indicate his/her/its full name (for individuals)/company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of Shares held together with his/her/its submission of questions, to the office address provided.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors, can also submit their questions based on the abovementioned instructions.

Notice of 51st Annual General Meeting

The Company will endeavour to address the substantial and relevant questions prior to and/or at the AGM. The responses to questions from members will be posted on the Singapore Exchange's website at <https://www.sgx.com> and the Company's website at <http://www.lionasiapac.com/index.php/investors> soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the Singapore Exchange's website and the Company's website within one month after the date of the AGM.

Submission of Proxy Forms to Vote:

Members will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the AGM to cast votes on their behalf.

Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the AGM, as proxy, need not be a member of the Company.

The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

- (a) by post to the registered office of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957;
- (b) by email, main@zicoholdings.com; or
- (c) by AGM Site, <https://conveneagm.com/sg/lionasiapac>

in each case, not less than 72 hours before the time appointed for holding the AGM, i.e. by 11.00 a.m. on 27 November 2021. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF and SRS Operators) through which they hold such Shares at least 7 working days before the time appointed for holding the AGM (i.e. by 11.00 a.m. on 19 November 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 11.00 a.m. on 27 November 2021.

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

Important Notice: Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the Singapore Exchange. Members are advised to check the Singapore Exchange's website at <https://www.sgx.com> regularly for updates on the AGM.

The Company wishes to thank all members for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Notice of 51st Annual General Meeting

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes and retained for such period as may be necessary for the Company's verification and record purposes.

Notice of Books Closure Date and Dividend Payment Date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 9 December 2021, for the purpose of determining shareholders' entitlements to the proposed one-tier tax-exempt final dividend of 1 cent per ordinary share for the financial year ended 30 June 2021.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 049544 up to 5.00 p.m. on 8 December 2021, will be registered to determine shareholders' entitlements to the proposed dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 8 December 2021 will be entitled to the proposed dividend.

The proposed dividend, if approved by shareholders at the 51st AGM of the Company to be held on 30 November 2021, will be paid on 15 December 2021.

Additional Information on Directors Standing for Re-election

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the additional information on Mr Lee Whay Keong and Mr Sam Chong Keen, each of whom is standing for re-election as a Director at the 51st Annual General Meeting of the Company on 30 November 2021, is provided below for self-explanatory.

The information shall be read in conjunction with their respective biographies set out on pages 5 and 7.

	Lee Whay Keong	Sam Chong Keen
Age	65	67
Country of Principal Residence	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Nominating Committee recommended the re-election of Mr Lee as a Non-Executive Director. The Board has accepted the recommendation after considering various factors, including the relevant expertise and experience required on the Board and time commitments.</p> <p>Mr Lee has abstained from the deliberation of the Board pertaining to his re-election.</p>	<p>The Nominating Committee recommended the re-election of Mr Sam as an Independent Director. The Board has accepted the recommendation after considering various factors, including the relevant expertise and experience required on the Board and time commitments.</p> <p>Mr Sam has abstained from the deliberation of the Nominating Committee and that of the Board pertaining to his re-election.</p>
Shareholding interest in the Company and its subsidiaries	None	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	<ul style="list-style-type: none"> • AMS Securities (S) Pte Ltd • Angkasa Amsteel Pte. Ltd. • Angkasa Logistic Pte Ltd • Angkasa Steel Pte. Ltd. • Geldart Investment Pte Ltd • Kobayashi Optical (S) Pte Ltd • Alpha Strategies Sdn. Bhd. • AMB Harta (M) Sdn Bhd • Amsteel Research (M) Sdn. Bhd. • Araniaga Holdings Sdn. Bhd. • Exuniq Sdn. Bhd. • Hicom-Suzuki Manufacturing Malaysia Sdn Bhd • Jana Serimas Sdn Bhd • Lion Best Sdn. Bhd. • Lion Best Shop Sdn Bhd • Lion Blast Furnace Sdn. Bhd. • Lion Com Sdn. Bhd. • Lion Management Sdn. Bhd. • Lion Rubber Industries Sdn Bhd • Lion-Kimtrans Logistics Sdn. Bhd. • Matrix Control Sdn. Bhd. • Otomotif Malaysia Sendirian Berhad • Seintasi Sdn. Bhd. • Seri Eksklusif Sdn Bhd • Sharp Synergy Sdn Bhd • Suzuki Assemblers Malaysia Sdn. Bhd. • Suzuki Motorcycle Malaysia Sdn. Bhd. • Teck Bee Mining (M) Sendirian Berhad • Urban Resources Sdn. Bhd. • Utara Enterprise Sdn. Bhd. • Vitarite Pharmaceuticals Sdn. Bhd. • Weldview Sdn. Bhd. • Budmouth Limited • Konming Investments Limited 	None

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
	<ul style="list-style-type: none"> • Alpha Deal Group Limited • Brilliant Elite Investments Limited • Classy Elite Investments Limited • Dynamic Shine Holdings Limited • Elite Harvest Group Limited • Eminent Prosper Limited • Grand Ray Investments Limited • Great Zone Investments Limited • Harvest Boom Investments Limited • Jade Harvest International Limited • Jade Power Holdings Limited • Mile Treasure Limited • Pinnacle Treasure Limited • Pioneer Glory International Limited • Sky Yield Group Limited • Superb Harvest Limited • Superb Reap Limited • Ultra Strategy Limited • Amsteel Holdings Philippines, Inc. • Amsteel Securities Philippines, Inc. • Fortius Resources (Cambodia) Co. Limited • Yangzhou Lion Property Development Co., Ltd • Wuhan Wushang & Parkson Enterprise Development Co Ltd • MPSL Pty. Ltd 	
Present	<ul style="list-style-type: none"> • Cornelian Star (S) Pte Ltd • Dawson Investment Pte Ltd • Goldwell Pacific Pte. Ltd. • Goldwell Technology Pte Ltd • Hifu Technology Private Limited • LAP Development Pte. Ltd. • LAP Exploration Pte. Ltd. • LAP Investment Pte. Ltd. 	<ul style="list-style-type: none"> • Stamford Tyres Corporation Ltd* • A-Smart Holdings Ltd* (formerly known as Xpress Holdings Ltd) • Parkson Retail Asia Limited* <p>* Public listed company in Singapore</p>

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
	<ul style="list-style-type: none"> • LAP Trading & Marketing Pte. Ltd. • Lion Jianmin Pte Ltd • Masoni Investment Pte Ltd • Renor Pte Ltd⁺ • Wata Time (S) Pte Ltd • Abadi Logistik Sdn Bhd • ACB Harta Holdings Sdn Bhd • ADT Services (M) Sdn Bhd • Akurjaya Sdn. Bhd. • Amalgamated Rolling Mill Sdn. Bhd. • Amble Legacy Sdn. Bhd. • AMB Venture Sdn Bhd • Ambang Jaya Sdn. Bhd. • Amble Bond Sdn. Bhd. • Amsteel Capital Holdings Sdn. Bhd. • Amsteel Equity Capital Sdn Bhd • Amsteel Equity Realty (M) Sdn. Bhd. • Amsteel Harta (L) Limited • Amsteel Mills Marketing Sdn. Bhd. • Amsteel Mills Realty Sdn. Bhd. • Angkasa Amsteel (M) Sdn Bhd⁺ • Angkasa Steel Sdn Bhd⁺ • Anika Developments Sdn Bhd • Antara Steel Mills Sdn. Bhd. • Bonuskad Loyalty Sdn. Bhd. • Bright Steel Sdn Bhd • Budivest Sdn. Bhd. • Bumicorp Sdn. Bhd. • CEDR Corporate Consulting Sdn. Bhd. • Ceemax Electronics Sdn. Bhd. • Ceemax Enterprise Sdn Bhd • Ceemax Power Products Sdn. Bhd. • Ceemax Technology Sdn. Bhd. • Cendana Aset Sdn Bhd • Cendana Domain Sdn Bhd 	

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
	<ul style="list-style-type: none"> • Century Container Industries Sdn. Bhd. • Chrome Marketing Sdn. Bhd. • Compact Energy Sdn Bhd • CPB Enterprise Sdn. Bhd. • Crest Wonder Sdn. Bhd. • Datavest Sdn. Bhd. • Dayung Setia Sdn. Bhd. • Debier Sdn. Bhd.+ • Epic Plus Sdn. Bhd. • Finlink Holdings Sdn. Bhd. • Gama Harta Sdn. Bhd. • Gelora Berkat Sdn Bhd • Goodcrest Development Sdn Bhd • Graimpi Sdn. Bhd. • Grandprop Sdn. Bhd. • Hiap Joo Chong Realty Sdn Bhd • Intra Inspirasi Sdn. Bhd. • J. Bovier Time (M) Sdn Bhd • Khidmat Kelana (M) Sdn. Bhd. • Kobayashi Optical Sdn. Bhd. • Ladang Dahan Setia Sdn. Bhd. • LAP Energy Sdn. Bhd. • LCB Harta (L) Limited • LCB Harta (M) Sdn Bhd • LDH Management Sdn Bhd • LDH Manufacturing Sdn Bhd • LDH Trading Sdn Bhd • LFIB Agriculture (Cambodia) Sdn Bhd • Likom Caseworks Sdn. Bhd. • Likom CMS Sdn Bhd • Likom Computer System Sdn. Bhd. • Likom Plastic Industries Sdn. Bhd. • Limpahjaya Sdn. Bhd. • Lion AMB Resources Sdn. Bhd. • Lion Commodities And Futures Trading Sdn. Bhd. 	

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
	<ul style="list-style-type: none"> • Lion Construction & Engineering Sdn. Bhd. • Lion Courts Sdn. Bhd. • Lion Development (Penang) Sdn. Bhd. • Lion Fichet Sdn. Bhd. • Lion Group Management Services Sdn. Bhd. • Lion Insurance Company Limited • Lion Metal Industries Sdn. Bhd. • Lion Motor Venture Sdn. Bhd. • Lion Petroleum Products Sdn. Bhd. • Lion Plantations Sdn. Bhd. • Lion Plate Mills Sdn. Bhd. • Lion Rubber Works Sdn. Bhd. • Lion Steelworks Sdn. Bhd. • Lion Subang Parade Sdn. Bhd. • Lion Titco Resources Sdn Bhd • Lion Titco Resources (Johor) Sdn Bhd • Lion Tooling Sdn. Bhd. • Lion Trading & Marketing Sdn. Bhd. • Lion Tyre Venture Sdn Bhd • Lion View Sdn Bhd • Lion Waterway Logistics Sdn. Bhd. • LLB Enterprise Sdn Bhd • LLB Harta (M) Sdn. Bhd. • LLB Nominees Sdn Bhd • LLB Steel Industries Sdn. Bhd. • LLB Strategic Holdings Sdn. Bhd. • LLB Suria Sdn. Bhd • LLB Venture Sdn. Bhd. • Lunas Cemerlang Sdn Bhd • Marvenel Sdn. Bhd. • Masbeef Sdn. Bhd. • Mastrama Sdn. Bhd. • Merak Saujana Sdn Bhd • Metarods Industries Sdn. Bhd. 	

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
	<ul style="list-style-type: none"> • Natvest Parkson Sdn. Bhd. • Omali Corporation Sdn. Bhd. • Pacific Agriculture and Development Sdn Bhd • Pacivest (M) Sdn. Bhd. • Pajak Gadai Puchong Sdn Bhd • Park Avenue Fashion Sdn Bhd • Parkson Edutainment World Sdn Bhd • Parkson Retail Consulting and Management Sdn. Bhd. • PMB Building System Sdn. Bhd. • Posim EMS Sdn Bhd • Posim Marketing Sdn Bhd • Posim Petroleum Marketing Sdn. Bhd. • Projek Jaya Sdn. Bhd. • Range Grove Sdn. Bhd. • Ributasi Holdings Sdn. Bhd. • Salient Care Sdn. Bhd. • Secomex Manufacturing (M) Sdn. Bhd. • Secretarial Communications Sdn. Bhd. • Segamat Land Sdn. Bhd. • Semangat Jelita Sdn Bhd • Serbadagang Holdings Sdn. Bhd. • Serbaniaga Holdings Sdn. Bhd. • Seri Lalang Development Sdn. Bhd. • Sharikat Pengangkutan East West Sdn. Bhd. • Singa Logistics Sdn Bhd • Slag Aggregate Sdn Bhd • Steelcorp Sdn Bhd • Stowinco Sdn. Bhd. • Sucorp Enterprise Sdn. Bhd. • Sukhothai Food Sdn. Bhd. • Sumber Realty Sdn. Bhd. • Superior Achievement Sdn. Bhd. 	

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
	<ul style="list-style-type: none"> • Syarikat Pekan Baru Kemajuan Sdn. Bhd. • Tahap Berkat Sdn Bhd • Teraju Varia Sdn Bhd • The Timepiece Repair Specialist Sdn Bhd • Timuriang Sdn. Bhd. • Trillionvest Sdn. Bhd. • Umatrac Enterprises Sdn. Bhd. • Umevest Sdn. Bhd. • Viroy Management Services Sdn Bhd • Watatime Group Sdn Bhd • Watatime Marketing Sdn Bhd • Watatime (Subang) Sdn Bhd • Chembong Malay Rubber Co (1920) Limited • Henrietta Rubber Estate Limited • The Brooklands Selangor Rubber Company Limited • The Lenggeng Rubber Company Limited • Amcap Consultants Limited • Amsteel Finance (H.K.) Limited • Amsteel Holdings (H.K.) Limited • Cibber Limited • Romiti Limited • Well Morning Limited • Ample Land Enterprises Limited • Bright Triumph Investments Limited • Distinct Harvest Limited • Double Merits Enterprise Limited • Excel Step Investments Limited • Elite Image Investments Limited • Eminent Elite Investments Limited • Green Choice Holdings Limited • Radiant Elite Holdings Limited 	

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
	<ul style="list-style-type: none"> • Smart Spectrum Limited • Up Reach Limited • LAP Marshall Pte Ltd • Radiant Elite (Cambodia) Co., Ltd • Beijing Horizon Towers Investment & Consulting Co Ltd • Shanghai LDH Management Consultant Co Ltd • Shanghai Lion Asia Investment Consulting Co Ltd • Lion Asiapac Management Consultancy (Shanghai) Co., Ltd • Shanghai AMB Management Consulting Co., Ltd • Likom Caseworks USA Inc. • PT Lion Metal Works TBK* • PT Lion Superior Electrodes <p>* Public listed company + in liquidation</p>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No No	No No

Additional Information on Directors Standing for Re-election

	Lee Whay Keong	Sam Chong Keen
<p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

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LION ASIAPAC LIMITED

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

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT

1. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its votes, he/she/it must submit a proxy form to appoint the Chairman of the AGM to vote on his/her/its behalf. A member (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment for that resolution will be treated as invalid.
2. Alternative arrangements to, among others, attendance, submission of questions in advance, voting by proxy at the AGM, are set out in the Notice of Annual General Meeting dated 11 November 2021.
3. Persons, who would have been able to be appointed as proxies by relevant intermediaries under Section 181(1C) of the Companies Act, such as Central Provident Fund Investment Scheme and Supplementary Retirement Scheme (as may be applicable) and wish to appoint the Chairman of the AGM as their proxy should approach their respective relevant intermediaries (e.g. CPF/SRS Approved Nominees such as CPF Agent Banks or SRS Operators) to submit their votes by 11.00 a.m. on 19 November 2021, being seven (7) working days before the AGM.
4. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name), _____ (NRIC/Passport/Registration No.)

of _____ (Address),

being a member(s) of Lion Asiapac Limited (the "Company"), hereby appoint the Chairman of the Annual General Meeting, as my/our proxy to vote for me/us on my/our behalf at the 51st Annual General Meeting of the Company (the "AGM") to be held by way of electronic means on Tuesday, 30 November 2021 at 11.00 a.m. and at any adjournment thereof.

I/We direct the Chairman of the AGM, being my/our proxy, to vote for or against, or to abstain on the resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions, the Chairman of the AGM will vote or abstain from voting as he may think fit, as he will on any other matter arising at the AGM.

Ordinary Business		For*	Against*	Abstain*
Ordinary Resolution 1	Adoption of Directors' Statement, Audited Financial Statements and Independent Auditor's Report			
Ordinary Resolution 2	Declaration of final dividend			
Ordinary Resolution 3	Re-election of Mr Lee Whay Keong as Director			
Ordinary Resolution 4	Re-election of Mr Sam Chong Keen as Director			
Ordinary Resolution 5	Approval of the continued appointment of Mr Sam Chong Keen as an Independent Director by Shareholders (excluding the Directors, the chief executive officer and their respective associates)			
Ordinary Resolution 6	Approval of Directors' fees			
Ordinary Resolution 7	Re-appointment of RSM Chio Lim LLP as Auditors and authority for the Directors to fix their remuneration			
Special Business				
Ordinary Resolution 8	General Mandate to Directors to Issue Shares and Convertible Securities			
Ordinary Resolution 9	Renewal of the General Mandate for Interested Person Transactions			
Ordinary Resolution 10	Renewal of the Share Buyback Mandate			

* If you wish to exercise all your votes "For" or "Against" or to abstain from voting on the Ordinary Resolutions, please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes that the Chairman of the AGM as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this _____ day of November 2021.

Shares in:	Total Number of Shares
1) Depository Register	
2) Register of Members	

Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read notes overleaf.

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as a proxy shall be deemed to relate to all the Shares held by you.
2. **Due to the current COVID-19 situation and the related safe distancing measures in Singapore, a member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must submit an instrument of proxy to appoint the Chairman of the AGM as proxy to attend and vote on his/her/its behalf at the AGM.** A member of the Company (including a Relevant Intermediary*) entitled to participate and vote at the AGM of the Company must appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM. A member (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as his/her/its manner of voting, or abstentions from voting, in the instrument of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the AGM as proxy, duly executed together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:
 - (a) by post to the registered office of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957;
 - (b) by email, main@zicoholdings.com; or
 - (c) by AGM site, <https://conveneagm.com/sg/lionasiapac>in either case, by 11.00 a.m. on 27 November 2021 (being 72 hours before the time fixed for the AGM), in default the instrument of proxy shall not be treated as valid.
5. The instrument appointing the Chairman of the AGM as the proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the AGM as the proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
7. Persons, who would have been able to be appointed as proxies by Relevant Intermediaries* under Section 181(1C) of the Companies Act, such as Central Provident Fund Investment Scheme ("CPF Investors") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable), and wish to appoint the Chairman of the AGM as their proxy should approach their respective Relevant Intermediaries*, (e.g. CPF/SRS Approved Nominees such as CPF Agent Banks or SRS Operators), to submit their votes at least seven (7) working days before the AGM (i.e. by 11:00 a.m. on 19 November 2021).
8. Relevant Intermediaries other than CPF/SRS Approved Nominees instructed to appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM together with the instrument appointing a proxy, shall provide to the Company an official cover letter and a list of attendees in excel format who would like to attend the AGM by way of a "live" webcast and/or "live" audio feed with each attendee's full name, NRIC/Passport No./Company Registration No., address, email address and no. of Shares for verification purposes. Upon successful registration, authenticated attendees will receive an email confirmation by 11.00 a.m. on 29 November 2021 with their user log-in details, access password and the link to access the "live" webcast and/or telephone number for "live" audio feed of the AGM proceedings.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as a proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as the proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as the proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Protection:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing the Chairman of the AGM as a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 November 2021.

AGM
Proxy Form

**AFFIX
POSTAGE
STAMP**

The Company Secretary
LION ASIAPAC LIMITED
10 Arumugam Road
#10-00 LTC Building A
Singapore 409957



LION ASIAPAC LIMITED

(Co. Reg. No. 196800586R)

10 Arumugam Road, #10-00 LTC Building A
Singapore 409957

T: (65) 6632 0500 ♦ Fax: (65) 6747 9493

www.lionapac.com