



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

2023
ANNUAL
REPORT

CONTENTS

Corporate Information	01	47	Consolidated Statement of Profit or Loss and Other Comprehensive Income
Chairman's Message	02	48	Statements of Financial Position
Corporate Structure	04	49	Statements of Changes in Equity
Board of Directors	05	50	Consolidated Statement of Cash Flows
Management Team	11	52	Notes to the Financial Statements
Financial Highlights	12	89	Annexure – Renewal of Interested Person Transactions Mandate
Corporate Governance Report	13	104	Letter to Shareholders – The Proposed Renewal of the Share Buyback Mandate
Interested Person Transactions	36	124	Shareholding Statistics
Summary of Sustainability Report 2023	37	126	Notice of 53 RD Annual General Meeting
Statement by Directors	38	133	Additional Information on Director Seeking Re-Election
Independent Auditor's Report	41		Proxy Form



CORPORATE INFORMATION

Board of Directors

Sam Chong Keen, Chairman
Loh Kgai Mun, Executive Director
Chai Woon Chew
Tan Sri Cheng Heng Jem
Lee Why Keong

Audit Committee

Sam Chong Keen, Chairman
Chai Woon Chew
Lee Why Keong

Nominating Committee

Sam Chong Keen, Chairman
Chai Woon Chew
Lee Why Keong

Remuneration Committee

Sam Chong Keen, Chairman
Chai Woon Chew
Lee Why Keong

Company Secretaries

Gan Chi Siew
Silvester Bernard Grant

Registered Office

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

Share Registrar

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896
Tel: +65 6593 4848

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 2023 ("FY 2023").

FY 2023 was a challenging year for the Group. With global headwinds sparked by the changing geopolitical landscape, the Group reported a loss as a result of escalating production and overhead costs.

Financial Performance

The Group recorded a revenue of S\$30.4 million, up by 2% from last year, comprising S\$14.2 million from lime sales and S\$16.2 million from trading of steel consumables and mining equipment. The Group reported a loss of S\$3.0 million against a loss of S\$1.6 million last year.

Financial Position

The balance sheet remains healthy, with working capital of S\$54.1 million and net assets of S\$58.3 million at year-end.



CHAIRMAN'S MESSAGE

Dividend

The Board will not recommend any dividend for FY 2023 as the Board considered it necessary to conserve cash for future operations in view of the Group's business strategy.

Moving Forward

Shortly after the year-end, the Group acquired Semangat Meriah Sdn Bhd's group of companies ("**Semangat**"), a provider of high-end roofing and wall cladding systems. This acquisition provides an opportunity for the Group to gain access to the construction industry in Malaysia, which is expected to ride on the potential growth generated by the New Industrial Master Plan 2030 (NIMP 2030), an industrial policy for the manufacturing and manufacturing-related services sectors in Malaysia.

The Board is proposing to dispose of the Group's lime business, which has been making losses ("**Proposed Disposal**"). This will enable the Group to stem the losses and channel resources to the newly acquired business and any other businesses the Group might acquire in the future. A cash inflow of approximately S\$13.9 million is expected to be generated. The Company will be convening an extraordinary general meeting to seek shareholders' approval for the Proposed Disposal.

Acknowledgment

I wish to express my sincere gratitude to the management and staff for their dedication and hard work and to our customers, suppliers, and business associates for their partnership. I also wish to express my gratitude and appreciation to my Board colleagues for their support and strategic guidance to the Group.

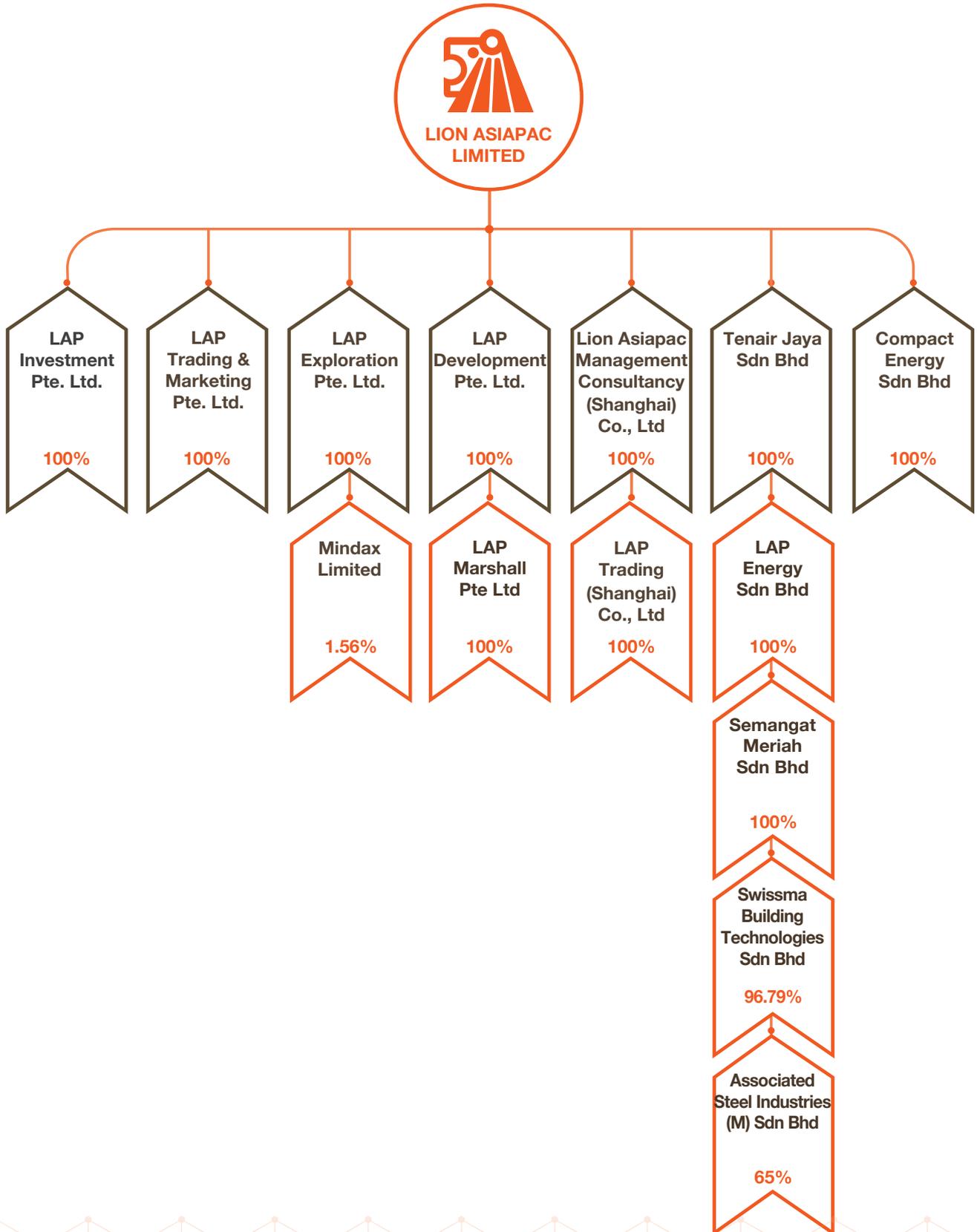
Above all, I would like to thank our loyal shareholders for their ongoing support during this challenging period, and look forward to a successful 2024.

Sam Chong Keen



CORPORATE STRUCTURE

AS AT 15 SEPTEMBER 2023



BOARD OF DIRECTORS



SAM CHONG KEEN, 70
Chairman & Independent Director

Date of first appointment as a director: 22 February 1997
Date of last re-election as a director: 30 November 2021

Mr Sam Chong Keen 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 has a wealth of management experience, having held senior/CEO positions in the Singapore Government Administrative Service, National Trades Union Congress (NTUC), Intraco Limited, Comfort Group Ltd, VICOM Ltd, A-Smart Holdings Ltd., and Emerging Towns & Cities Singapore Ltd.

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 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.

Past directorships held over the preceding 5 years
None

Present directorships

- Stamford Tyres Corporation Ltd*
- A-Smart Holdings Ltd*
- Parkson Retail Asia Limited*
- SMI Vantage Limited*

* Public listed company in Singapore



LOH KGAI MUN, 63
Executive Director

Date of first appointment as a director: 8 August 2008
Date of last re-election as a director: 30 October 2020
Date of next re-election as a director: 31 October 2023

Mr Loh Kgai Mun 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. He 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.

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.

Past directorships held over the preceding 5 years

- Mindax Energy Pty Ltd
- Mindax Limited*
- Yilgiron Infrastructure Pty Ltd
- Yilgiron Pty Ltd

Present directorships

- Associated Steel Industries (M) Sdn Bhd[#]
- Compact Energy Sdn Bhd[#]
- LAP Development Pte Ltd[#]
- LAP Energy Sdn Bhd[#]
- LAP Exploration Pte Ltd[#]
- LAP Investment Pte Ltd[#]
- LAP Marshall Pte Ltd[#]
- LAP Trading & Marketing Pte Ltd[#]
- LAP Trading (Shanghai) Co Ltd[#]
- Lion Asiapac Management Consultancy (Shanghai) Co., Ltd[#]
- Semangat Meriah Sdn Bhd[#]
- Swissma Building Technologies Sdn Bhd[#]
- Ternair Jaya Sdn Bhd[#]

[#] Subsidiary of Singapore public listed company

* Public listed company

BOARD OF DIRECTORS



TAN SRI CHENG HENG JEM, 80
Non-Executive Director

Date of first appointment as a director: 7 September 2010
Date of last re-election as a director: 31 October 2022

Tan Sri Cheng Heng Jem has 60 years of experience in the business operations of the Lion Group, a Malaysian based diversified business group encompassing steel, mining, retail, property and industrial parks, agriculture, financial services, tyre manufacturing, motor vehicle assembly, brewery and computer industries. He oversees the operations of Lion Group and is responsible for the formulation and monitoring of the overall corporate strategic plans and business development of the Group.

Tan Sri Cheng is the Chairman and Managing Director of Parkson Holdings Berhad, the Managing Director of Lion Industries Corporation Berhad and the Chairman of Lion Posim Berhad, all of which are public companies listed in Malaysia. He is also the Executive Chairman of Parkson Retail Asia Limited, a public company listed in Singapore, and the Executive Director and Chairman of Parkson Retail Group Limited, a public company listed in Hong Kong. He is also a Founding Member and a Permanent Trustee of The Community Chest, a Malaysian company limited by guarantee established by the private sector for charity purposes.

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. He was also the President of Malaysia Retailers Association (“**MRA**”) from May 2016 to May 2018, and was its Honorary President from June 2018 to July 2020. He was again appointed the President of MRA from July 2020 to May 2022 and in June 2022, he was appointed an Honorary President of MRA. He was the Chairman of the Federation of Asia-Pacific Retailers Associations from October 2017 to September 2019, and was its Vice Chairman from September 2019 to November 2022. He is a Trustee of ACCCIM’s Socio-Economic Research Trust and the President of Malaysia Steel Association.

Past directorships held over the preceding 5 years

Other principal commitments

- Federation of Asia-Pacific Retailers Associations

Directorships

- ACB Resources Berhad
- Antara Steel Mills Sdn Bhd
- Araprop Development Sdn Bhd
- Ayer Keroh Resort Sdn Bhd
- Daphne Malaysia Sdn Bhd
- Eden Flame Sdn Bhd
- Habitat Blue Sdn Bhd
- Lion Blast Furnace Sdn Bhd (In liquidation)
- Lion Corporation Berhad
- Lion Diversified Holdings Berhad (In liquidation)
- Lion DRI Sdn Bhd
- Marlow House Asia Limited
- Megasteel Sdn Bhd
- Ultra Legacy Sdn Bhd
- Watatime (M) Sdn Bhd

Present directorships

Other principal commitments

- Kuen Cheng High School
- Malaysia Retailers Association
- Malaysia Steel Association
- The Associated Chinese Chambers of Commerce and Industry of Malaysia
- The Associated Chinese Chambers of Commerce and Industry of Malaysia’s Socio-Economic Research Trust
- The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor

Directorships

- Amsteel Mills Sdn Bhd
- Andalas Development Sdn Bhd
- Angkasa Marketing (Singapore) Pte Ltd
- Bandar Akademia Corporation (M) Sdn Bhd
- Bandar Akademia Sdn Bhd
- Bonus Essential Sdn Bhd
- Brands Pro Management Sdn Bhd
- Brewood Investment Pte Ltd
- Classima Capital Ltd
- Community CSR Sdn Bhd
- Corporate Code Sdn Bhd
- Deluxe Venture International Limited
- East Crest International Limited
- Jana Pendidikan Malaysia Sdn Bhd
- Lancaster Trading Company Limited
- Limpahjaya Sdn Bhd
- Lion Aquaculture Sdn Bhd
- Lion Industries Corporation Berhad*
- Lion Investment (A) Sdn Bhd
- Lion Mining (Sabah) Sdn Bhd
- Lion Mining Investments Limited
- Lion Mining Limited
- Lion Mining Sdn Bhd

BOARD OF DIRECTORS

(Tan Sri Cheng Heng Jem)

- Lion Posim Berhad*
- Lion Steel Sdn Bhd
- M3C Productions Company Limited
- Nan Xin Investments Limited
- Narajaya Sdn Bhd
- Pan Malaysian Pools Sdn Bhd
- Parkson Corporation Sdn Bhd#
- Parkson Holdings Berhad*
- Parkson Retail Asia Limited*
- Parkson Retail Development Co., Ltd.
- Parkson Retail Group Limited*
- PP.SW Development Co., Ltd.
- Puncak Pelita Sdn Bhd
- Pusat Pengurusan Pendidikan Malaysia Sdn Bhd (In liquidation)
- Qingdao No. 1 Parkson Co., Ltd.
- SERC Sdn Bhd
- Sims Holdings Sdn Bhd
- Sunsuria Venture Sdn Bhd
- The Community Chest
- Tirta Enterprise Sdn Bhd
- Utara Enterprise Sdn Bhd
- William Cheng Sdn Bhd

* Public listed company

Subsidiary of Singapore public listed company



CHAI WOON CHEW, 65
Independent Director

Date of first appointment as a director: 31 December 2021

Date of last re-election as a director: 31 October 2022

Mr Chai Woon Chew is a partner of Messrs Michael Chai & Co. He was a partner of Messrs Michael Chai & Co, Advocate & Solicitors.

Mr Chai holds a Bachelor of Laws (Honours) Degree from the University of Buckingham, Bachelor of Science (Honours) Degree in Chemistry from the University of Surrey, United Kingdom and is qualified as Barrister-at-Law from Lincoln's Inn, England. Mr Chai was called to the Bars in Malaysia and Singapore.

Past directorships held over the preceding 5 years

Other principal commitments

- Partner of Messrs Chai Ken from January 2014 to January 2019

Directorships

- Bank of China (Malaysia) Berhad

Present directorships

Other principal commitments

- Messrs Michael Chai & Co, Kuala Lumpur (Partner)

Directorships

- KKB Engineering Berhad*
- Parkson Retail Asia Limited*

* Public listed company

BOARD OF DIRECTORS



LEE WHAY KEONG, 67
Non-Executive Director

Date of first appointment as a director: 7 September 2010
Date of last re-election as a director: 30 November 2021

Mr Lee Whay Keong is currently the Senior General Manager/ Personal Assistant to the Group Executive Director (“GED”) in the Lion Group. His responsibilities include advising and assisting the GED on governmental, corporate, strategic, joint venture, accounting and corporate finance matters.

Mr Lee’s main duties also involve assisting the GED in overseeing some of the Lion Group’s subsidiaries and in corporate transactions involving businesses and companies of the Lion Group. Mr Lee also manages the operations of Lion Waterway Logistics Sdn Bhd, a logistics company, and Lion Titco Resources Sdn Bhd which is a slag processing company.

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

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

Past directorships held over the preceding 5 years

- Angkasa Daehan Steel Pte. Ltd.
- Angkasa Steel Pte. Ltd.
- Antara Steel Mills Sdn Bhd
- Grandprop Sdn Bhd
- Khidmat Kelana (M) Sdn Bhd
- Lion Aquaculture Sdn Bhd
- Lion Blast Furnace Sdn Bhd (In liquidation)
- Lion Management Sdn Bhd
- Lion Plate Mills Sdn Bhd
- Superior Achievement Sdn Bhd
- Urban Resources Sdn Bhd (In liquidation)
- Utara Enterprise Sdn Bhd
- Weldview Sdn Bhd

Present directorships

- Abadi Logistik Sdn Bhd
- ACB Harta Holdings Sdn Bhd
- Aksi Nusantara Sdn Bhd
- Akurjaya Sdn Bhd
- Amalgamated Rolling Mill Sdn Bhd
- AMB Venture Sdn Bhd
- Ambang Jaya Sdn Bhd
- Amble Bond Sdn Bhd
- Amble Legacy Sdn Bhd
- Amcap Consultants Limited
- Ample Land Enterprises Limited
- Amsteel Capital Holdings Sdn Bhd
- Amsteel Equity Capital Sdn Bhd
- Amsteel Equity Realty (M) Sdn Bhd
- Amsteel Finance (H.K.) Limited
- Amsteel Harta (L) Limited
- Amsteel Holdings (H.K.) Limited
- Amsteel Mills Marketing Sdn Bhd
- Amsteel Mills Realty Sdn Bhd
- Angkasa Amsteel (M) Sdn Bhd (In liquidation)
- Anika Developments Sdn Bhd
- Associated Steel Industries (M) Sdn Bhd[#]
- Bayu Edar Sdn Bhd
- Beijing Horizon Towers Investment & Consulting Co Ltd
- BonusKad Loyalty Sdn Bhd
- Bright Steel Sdn Bhd
- Bright Triumph Investments Limited
- 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
- Century Container Industries Sdn Bhd
- Chembong Malay Rubber Co (1920) Limited
- Chrome Marketing Sdn Bhd
- Cibber Limited
- Compact Energy Sdn Bhd[#]
- Cornelian Star (S) Pte Ltd
- CPB Enterprise Sdn Bhd (In liquidation)
- Crest Wonder Sdn Bhd
- Datavest Sdn Bhd
- Dawson Investment Pte Ltd
- Dayung Setia Sdn Bhd
- Distinct Harvest Limited
- Double Merits Enterprise Limited
- Elite Image Investments Limited
- Eminent Elite Investments Limited
- Epic Plus Sdn Bhd
- Excel Step Investments Limited
- Finlink Holdings Sdn Bhd

BOARD OF DIRECTORS

(Lee Whay Keong)

- Formula Sepadu Sdn Bhd
- Gama Harta Sdn Bhd
- Gelora Berkas Sdn Bhd
- Goldwell Pacific Pte. Ltd.
- Goldwell Technology Pte Ltd
- Goodcrest Development Sdn Bhd
- Graimpi Sdn Bhd (In liquidation)
- Green Choice Holdings Limited
- Henrietta Rubber Estate Limited
- Hiap Joo Chong Realty Sdn Bhd
- Hifu Technology Private Limited
- Intra Inspirasi Sdn Bhd
- J. Bovier Time (M) Sdn Bhd
- Kenari Juara Sdn Bhd
- Kobayashi Optical Sdn Bhd
- Ladang Dahan Setia Sdn Bhd
- LAP Development Pte. Ltd.#
- LAP Energy Sdn Bhd#
- LAP Exploration Pte. Ltd.#
- LAP Investment Pte. Ltd.#
- LAP Marshall Pte Ltd#
- LAP Trading & Marketing Pte. Ltd.#
- LAP Trading (Shanghai) Co Ltd#
- LCB Harta (L) Limited
- LCB Harta (M) Sdn Bhd
- LDH Management Sdn Bhd (In liquidation)
- LDH Manufacturing Sdn Bhd (In liquidation)
- LDH Trading Sdn Bhd
- LFIB Agriculture (Cambodia) Sdn Bhd
- Likom Caseworks Sdn Bhd
- Likom Caseworks USA Inc.
- Likom CMS Sdn Bhd
- Likom Computer System Sdn Bhd
- Likom Plastic Industries Sdn Bhd
- Limpahjaya Sdn Bhd
- Lion AMB Resources Sdn Bhd
- Lion Asiapac Management Consultancy (Shanghai) Co., Ltd#
- Lion Commodities And Futures Trading Sdn Bhd
- 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 Jianmin Pte Ltd
- Lion Metal Industries Sdn Bhd
- Lion Motor Venture Sdn Bhd
- Lion Petroleum Products Sdn Bhd
- Lion Plantations Sdn Bhd
- Lion Rubber Works Sdn Bhd
- Lion Steelworks Sdn Bhd
- Lion Subang Parade Sdn Bhd (In liquidation)
- Lion Titco Resources (Johor) Sdn Bhd
- Lion Titco Resources Sdn Bhd
- Lion Tooling Sdn Bhd
- Lion Trading & Marketing Sdn Bhd
- Lion Tyre Venture Sdn Bhd
- Lion Waterfront 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
- Lunas Cemerlang Sdn Bhd
- Masoni Investment Pte Ltd
- Mastrama Sdn Bhd
- Merak Saujana Sdn Bhd
- Metarods Industries Sdn Bhd
- Natvest Parkson Sdn Bhd
- Omali Corporation Sdn Bhd
- Pacific Agriculture and Development Sdn Bhd
- Pajak Gadai Puchong Sdn Bhd
- Parkson Edutainment World Sdn Bhd
- Parkson Retail Consulting and Management Sdn Bhd
- PMB Building System Sdn Bhd
- Posim Marketing Sdn Bhd
- Posim Petroleum Marketing Sdn Bhd
- Projek Jaya Sdn Bhd
- PT Lion Metal Works TBK*
- PT Lion Superior Electrodes
- Radiant Elite (Cambodia) Co., Ltd
- Radiant Elite Holdings Limited
- Range Grove Sdn Bhd
- Renor Pte Ltd (In liquidation)
- Ributasi Holdings Sdn Bhd
- Romiti Limited
- Salient Care Sdn Bhd
- Secom Smart (Malaysia) Sdn Bhd
- Secomex Manufacturing (M) Sdn Bhd
- Secretarial Communications Sdn Bhd
- Segamat Land Sdn Bhd
- Semangat Jelita Sdn Bhd
- Semangat Meriah Sdn Bhd#
- Sendi Setara Sdn Bhd
- Serbadagang Holdings Sdn Bhd
- Seri Lalang Development Sdn Bhd
- Shanghai AMB Management Consulting Co., Ltd
- Shanghai LDH Management Consultant Co Ltd
- Shanghai Lion Asia Investment Consulting Co Ltd
- Sharikat Pengangkutan East West Sdn Bhd
- Slag Aggregate Sdn Bhd
- Smart Spectrum Limited
- Steelcorp Sdn Bhd
- Stowinco Sdn Bhd

BOARD OF DIRECTORS

(Lee Whay Keong)

- Sucorp Enterprise Sdn Bhd
- Sukhothai Food Sdn Bhd
- Sumber Realty Sdn Bhd
- Swissma Building Technologies Sdn Bhd[#]
- Syarikat Pekan Baru Kemajuan Sdn Bhd
- Tahap Berkat Sdn Bhd
- Teraju Varia Sdn Bhd (In liquidation)
- The Brooklands Selangor Rubber Company Limited
- The Lenggeng Rubber Company Limited
- The Timepiece Repair Specialist Sdn Bhd
- Timuriang Sdn Bhd
- Trillionvest Sdn Bhd
- Umatrac Enterprises Sdn Bhd
- Umevest Sdn Bhd
- Up Reach Limited
- Viroy Management Services Sdn Bhd (In liquidation)
- Wata Time (S) Pte Ltd
- Watatime (M) Sdn Bhd
- Watatime (Subang) Sdn Bhd
- Watatime Group Sdn Bhd
- Watatime Marketing Sdn Bhd
- Well Morning Limited

[#] *Subsidiary of Singapore public listed company*

^{*} *Public listed company*



MANAGEMENT TEAM

LOW PING HING

*Managing Director
Metal Roofing Division*

Mr Low Ping Hing joined Swissma Building Technologies Sdn Bhd in November 2002 as the General Manager. He heads the Group's metal roofing operation in Malaysia.

He started his career as a structural design engineer in an engineering consultancy firm, before venturing into the metal roofing industry in 1988. He has since accumulated vast experiences, including sales, marketing, project management, and provided technical advisory for metal roofing solutions.

Mr Low is a member of the Technical Committee in SIRIM which formulates the Malaysia Standard MS2523:2013 titled Metal sheet roof and wall cladding : Test method.

Mr Low holds a Bachelor degree in Civil Engineering from Monash University, Australia.

GAN CHI SIEW

*Company Secretary
Corporate Division*

Ms Gan Chi Siew joined the Group in 2022 as a Company Secretary and is responsible for corporate secretarial matters of the Group. She manages the Group's compliance with statutory requirements as well as investor relations.

She has more than 20 years of experience in the corporate secretarial sector, where she started her career with a corporate secretarial firm in 2000.

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

WONG MIN SEONG

*Assistant General Manager
Lime Sales Division*

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

He joined the Lion Group as an Assistant General Manager at Megasteel Sdn Bhd. Prior to that, he was the Plant Manager at Natsteel Chemicals (M) Sdn Bhd and was responsible for quicklime production and maintenance of its plant.

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

GAN CHOON CHING

*Group Accountant
Corporate Division*

Mr Gan Choon Ching joined the Group in 2022 as a Group Accountant. He heads the Finance Department and is responsible for financial accounting and reporting, treasury control, and taxation of the Group.

Prior to joining the Group, he was the Senior Finance Manager at ASTI Holdings Limited, Finance Manager at YHI International Limited, and Senior Accountant at Ryobi Kiso Holding Limited. He started his career at Crowe Horwath, LLP in 2006, when he left as a Senior Auditor.

Mr Gan holds a Bachelor's degree in Accounting from the University of Utara Malaysia and is a Chartered Accountant of the Malaysian Institute of Accountants.



FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS

FINANCIAL YEAR ENDED 30 JUNE	FY2023 S\$'000	FY2022 S\$'000
Sales	30,357	29,719
Gross profit (%)	4.7	7.1
Profit before income tax	(2,903)	(1,426)
Net profit (%)	(9.9)	(5.2)
EBITDA	(2,249)	(273)

FINANCIAL POSITION

AS AT 30 JUNE	FY2023 S\$'000	FY2022 S\$'000
Current assets	60,496	74,918
Non-current assets	4,398	2,794
Total assets	64,894	77,712
Current liabilities	5,444	4,381
Non-current liabilities	1,191	1,321
Total liabilities	6,635	5,702
Net assets	58,259	72,010
Total equity	58,259	72,010

FINANCIAL INDICATORS

	FY2023	FY2022
Return on shareholders equity (%)	(4.6)	(4.3)
Earnings per share (cents)	(3.7)	(1.9)
Dividend per share (cents)	10	1
Cash and bank balances (S\$'000)	48,046	59,636
Current ratio	11.1	17.1

CORPORATE GOVERNANCE REPORT

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

The Company has complied with Rule 710 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual by disclosing in this annual report its corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”). Where the Company’s practices differ from the principles and provisions in the Code, the Company’s position and reasons are explained.

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

The Board oversees the strategic direction, performance and business of the Group. It provides entrepreneurial leadership, sets strategic aims, considers sustainability issues, and ensures necessary financial and human resources are in place for the Group to meet its objectives. The Board reviews and approves the Group’s annual business plan, including the annual budget, operational and capital expenditure plans as well as constructively challenges senior management (the “**Management**”) on strategic options and planning processes. The Board reviews major investments and divestments and ensures that decisions and investments are consistent with the long-term strategic goals of the Company and Group, in the interests of the Company and its shareholders.

Board roles and duties

The Board is responsible for good corporate governance and is responsible for setting the right “tone-from-the-top” in the Company’s policies and decisions to ensure that the Company’s corporate values and ethical standards are observed and there is proper accountability throughout the Group. The Board reviews the corporate governance framework, culture and value, Code of Conduct, business objectives, and strategies periodically to ensure that they remain relevant and effective.

The Board exercises due diligence and objectively discharges its duties and responsibilities in the Company’s best interests. Directors, directly or indirectly, interested in a transaction or proposed transaction, declare their interests and in the case of any conflicts of interest (actual or potential), recuse themselves from participating in the deliberation and abstain from decision-making on such transactions. Their abstentions were recorded in the minutes and/or the resolutions of the Board and/or the Board Committees.

The Board monitors the Group’s performance, position and prospects, supervises and reviews Management’s performance against agreed goals and objectives, and satisfies themselves that the Group’s businesses are managed properly and are in accordance with the Company’s Code of Conduct. 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.



CORPORATE GOVERNANCE REPORT

Board roles and duties (Continued)

The principal roles and functions of the Board include the following:

- (a) providing leadership, reviewing, approving, and overseeing the implementation of the Company's strategic direction and overall business objectives as well as the organisational structure of the Group and ensuring that resources are in place for the Group to meet its objectives;
- (b) reviewing and approving the Group's annual business plan, including the annual budget, operational and capital expenditure plans as well as constructively challenging Management on the strategic options and planning process;
- (c) ensuring that the Company is operated in accordance with the relevant laws and regulations, as well as policies, processes, and guidelines approved by the Board, to preserve its financial integrity;
- (d) reviewing material acquisition and disposal of assets of the Group;
- (e) meeting regularly with Management, including key persons in control job functions, discussing and reviewing critically the decisions made, the information provided, and any explanations given by Management and key persons in control job functions, relating to the business and operations of the Company and the Group;
- (f) monitoring the Group's performance, position and prospects and reviewing the performance of Management against agreed goals and objectives, and satisfying themselves that the Group's businesses are properly managed;
- (g) reviewing the adequacy and effectiveness of the Group's risk management and internal controls framework (including establishing risk appetite, parameters and internal control systems which include financial, operational, compliance and information technology controls and management systems) to safeguard the shareholders' investments and the Company's assets;
- (h) effectively monitoring and managing risks, achieving an appropriate balance between risks and the Company's performance;
- (i) ensuring that Management observes the Code of Conduct as applied to them;
- (j) ensure the Code of Conduct and ethics as well as the culture and conduct framework, emphasising integrity, honesty and proper conduct at all times, with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest;
- (k) formulating strategies, taking into consideration sustainability issues such as environmental and social factors, and reviewing and approving all material environmental, social and governance issues and the sustainability strategy;
- (l) reviewing and approving the release of the Group's financial results and a variety of other strategic initiatives tabled by Management; and
- (m) ensuring transparency and accountability to key stakeholders.



CORPORATE GOVERNANCE REPORT

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 be invited to visit the Group's manufacturing plants for a greater appreciation of its operations. For a first-time director who has no prior experience as a director of a listed company, such director is to undergo training on the roles and responsibilities of a director of listed companies as prescribed by the SGX-ST, unless the Nominating Committee (the "NC") determines that such training is not required because the director has other relevant experience. Where such an assessment is made by the NC, the reasons are disclosed in the announcement made on the appointment of the director.

The Company did not appoint new directors in 2022 and all six directors have attended sustainability training courses to equip themselves with knowledge on sustainability matters in 2022.

The Board is routinely updated on pertinent developments in the business, including changes in laws and regulations, corporate governance practices, risk management, financial reporting standards, and industry-related matters, by professional advisers, auditors, Management, and the company secretary to enable the directors to discharge their duties effectively. The Board is also regularly kept informed by the company secretary of the availability of relevant courses, conferences and seminars, including those conducted by the Singapore Institute of Directors. 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 Board Committee members effectively.

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. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below the threshold limits to the Board Committees and Management to optimise operational efficiency. Directors who have a potential conflict of interest in a particular transaction are abstained from participating in the relevant Board discussions and decisions.

Delegation by the Board

While the Board has ultimate responsibility for the affairs of the Company, it has established several Board Committees to assist in carrying out more effectively its oversight of the operations and affairs of the Company and Group. These Board Committees consist of the Audit Committee ("AC"), NC, and Remuneration Committee ("RC"). Each Board Committee has its own terms of reference setting out the scope of its duties and responsibilities, and procedures governing the way it is to operate and how decisions are to be taken. Any change to the terms of reference of any Board Committees requires Board's approval. Each committee reports key matters to the Board at the Board meetings. The delegation by the Board to the committees enables the Board to achieve operational efficiency. The Board Committees were empowered to decide, review, and make recommendations on matters within their respective written terms of reference without abdicating the Board's overall responsibilities.

Meetings and attendance

Meetings of the Board and Board Committees are held regularly and scheduled one year ahead to maximise participation. Ad hoc meetings may be called where circumstances warrant. The Company's Constitution allows meetings to be held by electronic means or telephone. Barring unforeseen circumstances, directors are expected to attend all Board and Board Committee meetings. Directors will still receive all the meeting materials even though they are unable to attend meetings. They are encouraged to advise the Chairman of their views and comments on the matters so that the Chairman may convey to other members at the meetings.



CORPORATE GOVERNANCE REPORT

Meetings and attendance (Continued)

The number of meetings attended by the directors during the financial year ended 30 June 2023 is set out as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	General Meeting
Total number of meetings held	5	8	1	1	2
	Number of meetings attended				
Sam Chong Keen	5	8	1	1	2
Loh Kgai Mun	5	N.A.	N.A.	N.A.	2
Chai Woon Chew	5	8	1	1	2
Tan Sri Cheng Heng Jem	5	N.A.	N.A.	N.A.	1
Lee Whay Keong ⁽¹⁾	5	4	N.A.	N.A.	2
Cheng Theng How ⁽²⁾	2	4	1	1	1

Notes:

- (1) Mr Lee Whay Keong replaced Mr Cheng Theng How as member of AC, NC, and RC on 31 December 2022.
 (2) Mr Cheng Theng How resigned as non-executive director on 31 December 2022. Consequent to his resignation, he also ceased to be member of AC, NC, and RC.

Access to information

The Company adopts initiatives to put in place processes to ensure directors are well supported by accurate, complete and timely information. 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 to facilitate informed decision-making. For matters requiring approval, information provided by Management usually includes background explanatory information, relevant facts and analysis supporting the proposal, financial impact, other implications or merits, risk analysis and mitigating strategies, and management recommendations. Relevant management executives are invited to attend the Board meetings to provide additional information and insight or to provide clarifications on queries raised.

Access to Management, company secretary, and professional advice

Directors have separate and independent access to the Management. Other than Board and Board Committee meetings, directors are able to approach Management to discuss and review business and operations of the Group. Directors may take independent professional advice at the Company's expense as and when necessary to enable them to discharge their duties effectively.

For FY 2023, an independent financial adviser was engaged to provide an opinion on whether the methods or procedures of the interest person transactions ("IPT") mandate were sufficient to ensure that the IPT mandate would be carried out on normal commercial terms and would not be prejudicial to the interests of the Company and its minority shareholders.

Directors also have separate and independent access to the company secretary. The company secretary, whose appointment and removal are subject to Board's approval, attended all Board and Board Committee meetings during FY 2023 to provide guidance for Board procedures to be followed. She, together with the Management, ensures that the Company complies with applicable rules and regulations. 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 company secretary facilitates information flows between the Board and Board Committees and between the Management and the Board, and where necessary, manages orientations and assists in professional development.

CORPORATE GOVERNANCE REPORT

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.

Board composition

The Board comprises five directors, four are non-executive directors (including two independent directors) and an executive director. Five Board meetings were held in FY 2023.

The members of the Board are as follows:

Non-executive

Sam Chong Keen (*Chairman, independent director*)
Chai Woon Chew (*Independent director*)
Tan Sri Cheng Heng Jem
Lee Whay Keong

Executive

Loh Kgai Mun

The NC conducted its annual review of the directors' independence and is satisfied that the Company complied with the guidelines of the Code that a majority of the Board is made up of non-executive directors. The Company also complied with SGX-ST Listing Rule 210(5)(c) that the Board has two independent directors and independent directors comprised at least one-third of the Board.

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

Independence of directors

An independent director of the Company is one who is independent from the substantial shareholders of the Company, and management and business relationships with the Company and its subsidiaries, and has not served for more than nine years on the Board. He/She is also independent in conduct, character, and judgement. Each director is required to abstain from the deliberations of the NC and the Board respectively as to his/her own independence.

The NC determines the independence of a director annually, taking into account the criteria and circumstances set out in the SGX-ST Listing Manual, the Code, and the 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, Code, and the Practice Guidance 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.



CORPORATE GOVERNANCE REPORT

Independence of directors (Continued)

For FY 2023, the NC carried out a review of the independence of each director based on their respective self-declarations. Mr Sam Chong Keen and Mr Chai Woon Chew had confirmed their independence. In accordance with SGX-ST Listing Rule 210(5)(d), Mr Sam and Mr Chai were not employed or had been employed at any time during the past three financial years by the Company or any of its related corporations, and none of their immediate family members who were employed or had been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration was determined by the RC. Taking into account that they had exercised independent judgement in the best interests of the Company along with their invaluable contributions on the Board and Board Committees, the NC assessed and considered Mr Sam and Mr Chai to be independent. Mr Sam and Mr Chai had abstained from all discussions and decisions of the NC and the Board in relation to the assessment of his own independence. The Board is of the view that the independent directors have demonstrated a strong level of independence and judgement over the years of performing their duties and responsibilities with utmost commitment in upholding the interests of the shareholders. They have expressed individual and independent viewpoints, debated issues, and objectively scrutinised and challenged the Management. All major decisions made at the Board are unanimously agreed upon by the independent directors. The Board opined that the present Board composition has a strong independence element and is appropriate for effective decision-making.

Independent non-executive directors who have served beyond nine years

In accordance with SGX-ST Listing Rule Rule 210(5)(d)(iii) that came into effect on 1 January 2022, an independent director will not be considered independent if he has served on the Board for an aggregate period of more than nine years unless prior to 1 January 2022, he had subject to rigorous review and obtained approval from shareholders to continue in office under a two-tier voting. Such measures will enable the Board to have an independent and objective perspective, to allow balanced and well-considered decisions to be made. Mr Sam's tenure as an independent director has exceeded nine years as of 1 January 2022. 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. For FY 2023, Mr Sam had 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 had also demonstrated independent-mindedness and conducted Board and Board Committee meetings where he shared valuable opinions with Management when discussing business development and potential investment opportunities given his wealth of experience, knowledge of the business and operating environment of the Group. The Board opined that Mr Sam has over time developed significant and in-depth insights into the Group's businesses and could continue to provide invaluable contributions and exercise independent judgement 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 had served on the Board for more than nine years, he will still be considered to be independent for the purposes of the SGX-ST Listing Manual and the Code. Mr Sam had abstained from all discussions and decisions of the NC and the Board in relation to the assessment of his own independence.

The requisite two-tier shareholders' approvals under SGX-ST Listing Rule 210(5)(d)(iii) for Mr Sam's continued appointment as an Independent Director beyond 31 December 2021 has been obtained at the Company's annual general meeting ("AGM") held on 30 November 2021. Therefore, Mr Sam will remain Independent Director of the Company until the earlier of (i) his retirement or resignation or (ii) the conclusion of the AGM in 2024. However, SGX-ST Listing Rule 210(5)(d)(iii) was deleted with effect from 11 January 2023.

Under SGX-ST Listing Rule 210(5)(d)(iv) effective 11 January 2023 and Transitional Practical Note 4, a hard tenure limit of nine years was imposed on directors' independence, beyond which, such directors will no longer be considered independent. Mr Sam will be considered independent until the AGM in 2024 for the financial year ending 30 June 2024. During the transition, the Board will undertake a Board renewal process to refresh the Board and to ensure the continuity of Board independence.

CORPORATE GOVERNANCE REPORT

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, knowledge and experiences are extensive. The Board, in concurrence with NC, is of the view that the current Board and Board Committees are of appropriate size to facilitate effective decisions, taking into account the scope and nature of the operations of the Group. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process. The NC is also of the view that the Board has a good balance of directors who have extensive business, financial, accounting, legal, and management experience.

A summary of the composition of the Board and Board 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	–	–	–
Chai Woon Chew	NED, ID	M	M	M	M
Tan Sri Cheng Heng Jem	NED, NID	M	–	–	–
Lee Whay Keong	NED, NID	M	M	M	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.

The NC has put in place an annual board performance evaluation exercise in the form of a questionnaire for completion by each director. The NC collated the questionnaire results and reviewed the findings before reporting to the Board. The Board is satisfied with the results of the assessment for FY 2023. The directors have a sound understanding of the business strategy, nature of the business activities of the Group, and their associated risks.

Board diversity

The Company has a board diversity policy. The policy recognises and embraces the importance and benefits of having a diverse Board based on the needs and demands of the Group's business. The Board, through its NC, annually assesses the gender representation on the Board as well as directors' competency profiles and determines the collective skills required for the Board and the Board Committees to discharge their responsibilities effectively. The same factors are taken into consideration in respect of the re-appointment of directors.

CORPORATE GOVERNANCE REPORT

Board diversity (Continued)

The NC has not set a specific target for Board diversity as it may detract from the more fundamental principle that the candidate must be of the right fit and meet the relevant needs and demands of the Company. The NC endeavours to ensure that female candidates are included for consideration when identifying suitable candidates for a new appointment to the Board. However, other than gender, the NC and the Board will consider different dimensions of diversity, such as age, geography, skills, knowledge, and experience. The Company will continue to consider the merit of each candidate in its Board renewal process regardless of gender and ethnicity and will instead be based on merit, having also considered the overall balance and effectiveness of the Board. Although, there is currently no female director or director from a younger age group appointed in the Board, the Board does not rule out the possibility of appointing such directors if a suitable candidate is nominated for the Board's consideration.

Meetings of non-executive directors

The non-executive directors constructively challenge, help develop proposals on strategy, review the performance of the Management in meeting, agreed goals and objectives, and monitor performance reporting. Where necessary, non-executive directors will meet for discussion without the presence of the 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 Chairman and the executive director are not related to each other. The roles of the Chairman and the executive director are distinct and separate, with a clear division of responsibilities between them to ensure increased accountability and greater independence in decision-making. Mr Sam Chong Keen, as Chairman of the Board, leads the meetings, facilitate robust and open discussions and deliberations in Board meeting. Whilst Mr Loh Kgai Mun, the executive director, provides stewardship for the overall operations and resources of the Group's businesses.

Roles and responsibilities of executive director

The executive director oversees the Group's operations and implementation of the Group's strategies, plans, and policies to achieve planned corporate performance and financial goals. 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. During FY 2023, the executive director attended all the Board's, Board Committees' and shareholders' meetings.

Roles and responsibilities of the 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 the 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.



CORPORATE GOVERNANCE REPORT

Lead independent director

The Board has not appointed a lead independent director as the Chairman and the executive director are already separate persons and are not related to each other. The Chairman is not involved in the day-to-day operations of the Company and is independent from the management and business relationships with the Company and the Group. He is also independent of the Management and performs an effective check and balance on the Management. The directors are able to exercise independent and objective judgement. 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. Having considered the current business operations and the Chairman of the Company, who was also an independent director, the NC, and the Board were of the view that the appointment of a lead independent director was not necessary. The Board will, in continuous assessment of the corporate governance standards, appoint a lead independent director when the Board situation warrants.

The Board and the 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 composition and responsibilities

The NC comprises three non-executive directors with two independent directors, including the Chairman. One NC meeting was held in FY 2023.

Sam Chong Keen	(Chairman, independent director)
Chai Woon Chew	(Independent director)
Lee Whay Keong	(Non-executive director)

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

- the review of Board succession plans for directors, in particular, for 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 the future;
- 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;
- the review of training and professional development programs for the Board; and
- the appointment and re-appointment of directors, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills, experience, and diversity that the Board requires.

Re-nomination and re-election of directors

According to the Company's Constitution, every director shall retire from office by rotation at least once every three years at each AGM and may seek re-election. Additionally, the Company's Constitution also prescribes that the newly appointed director will hold office until the next AGM and if eligible, may seek re-election. The NC reviews each director's eligibility, contribution, and performance (such as attendance, preparedness, participation, and candour), with reference to the results of the assessment of the performance of the individual director by its peers and tenure.

Mr Loh Kgai Mun, who is retiring by rotation under Article 98 of the Company's Constitution and being eligible, will be seeking re-election at the 2023 AGM.

Additional information on directors seeking re-election at the 2023 AGM is set out on pages 133 to 136 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Selection, appointment and re-appointment of directors

The NC establishes and reviews the key criteria for selection of Board members and makes recommendations to the Board on the appointments, re-appointments, and retirement of directors. The composition of the Board is reviewed regularly to ensure that the Board has the appropriate mix, expertise, and experience. The NC may, if deemed appropriate, recommend the appointment of additional directors to strengthen the composition of the Board or as part of the ongoing Board renewal process. The NC will review and identify the desired competencies for a new appointment. Where there is a resignation or retirement of an existing Director, the NC will re-evaluate the Board composition to assess the competencies for the replacement. Once the NC has determined the desired competencies for an additional or replacement Director to complement the skills and competencies of the existing Directors, it will submit its recommendations to the Board for approval.

The selection and appointment process of new directors to the Board is reviewed, formalised, and endorsed by the Board. The appointment of new members to the Board is considered by the NC. When there is a need to appoint a new director, whether due to retirement of a director, growth or increased complexity of the Company's business, the NC or any directors will try to source for suitable candidates through their networks and contacts based on the established criteria. Where applicable, external consultants may also be engaged to identify potential candidates. The potential candidate's background, qualifications, skill sets, 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 being evaluated. The NC will endeavour to ensure that the candidates selected possess the relevant background, experience, knowledge, and diversity, as well as business, finance, and management skills critical to the Company's business. Shortlisted potential candidates will be identified for interview. Following rigorous review, the NC recommends the appropriate potential candidate for Board's endorsement.

Diversity of experience and appropriate skills which are considered in the selection process include leadership, industry experience, management and business operations expertise, financial and accounting, legal and regulatory, risk management, marketing, capital management and information technology. In addition, the NC takes into consideration the current Board size and its mix, the additional skills and experience that will enhance the competencies and effectiveness of the Board. The Board Diversity Policy provides that the NC shall endeavour to ensure female candidates are included for consideration when identifying candidates to be appointed as new directors.

A formal letter setting out the director's duties and obligations will be given to the new director upon his/her appointment to ensure that the new director is aware of his/her duties and obligations.

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. In addition, the NC is committed to reassessing each director's independence as and when warranted. The NC reviewed the declarations and is satisfied with the independence of the directors.

For FY 2023, the NC carried out a review of the independence of each director based on their respective self-declarations. Mr Sam Chong Keen and Mr Chai Woon Chew had confirmed their independence. The NC assessed and considered Mr Sam and Mr Chai to be independent taking into account they had exercised independent judgement in the best interests of the Company along with their invaluable contributions on the Board and Board Committees.

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 is 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 is to 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.

For 2023, the NC is satisfied that, where a director had other principal commitments, the director was able and had adequately carried out his duties as a director of the Company.

CORPORATE GOVERNANCE REPORT

Appointment of alternate directors

During FY 2023, 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 evaluate the performance and effectiveness of the Board as a whole, the contribution by the Chairman, and each director to the Board annually.

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 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 Board Committees' structure, and in consultation with the NC, to assess the effectiveness of the Board's oversight of the Company. The findings of the evaluation are made known to each member of the Board.

The board assessment exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes allow the directors to discharge their duties effectively and the changes which should be made to enhance the effectiveness of the Board and Board Committees. The assessment exercise helps the directors to focus on key responsibilities and allows for peer review with an aim to increase the efficiency and quality of the directors. This will also help the NC in determining whether to re-nominate directors who are due for retirement and to evaluate whether directors with multiple board representations are able to discharge their duties adequately.

For FY2023, the Company did not engage an external facilitator for the Board evaluation process.

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 non-executive directors with two independent directors, including the Chairman. One RC meeting was held in FY 2023.

Sam Chong Keen	(Chairman, independent director)
Chai Woon Chew	(Independent director)
Lee Why Keong	(Non-executive director)



CORPORATE GOVERNANCE REPORT

RC composition (Continued)

The primary role of the RC under its terms of reference is to assist the Board in fulfilling its objectives as follows:

- (a) To assist the Board to minimise the risk of any potential conflict of interest by putting in place a formal and transparent procedure in developing overall remuneration policy and strategy to ensure that no director is involved in deciding his/her own remuneration;
- (b) To review and make recommendations to the Board on the Group's general framework of remuneration or specific remuneration packages (if any) for the Board and the executive director with the aim of being fair and to ensure the framework is appropriate to attract, retain, and motivate the Board and the executive director and to avoid rewarding poor performance;
- (c) To review the adequacy, fairness, and terms of compensation for each of the directors and the executive director to ensure that the compensation is commensurate with the duties, responsibilities, and risks involved in being an effective director and the executive director; and
- (d) To review the Company's obligations arising in the event of termination of the executive directors' contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses that are not overly generous.

RC's access to advice on remuneration matters

During FY 2023, the RC did not require the services of external remuneration consultants, and no director is involved in deciding his own remuneration. Nevertheless, the RC has explicit authority to seek external expert advice should such a 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 (“KMP”)

The RC assists the Board to ensure the remuneration frameworks are able to attract, motivate, reward, and retain quality personnel. The RC ensures that the remuneration of the executive director's and KMP 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, thus promoting 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.

The RC determines a specific remuneration package for the executive director according to a remuneration framework comprising basic salary, bonus, and other benefits. The annual bonus is a variable component based on the performance of the Group and the individual. The size of the Company's annual performance bonus pot is determined by the Group's financial and non-financial performance and is distributed to employees based on their individual performance.

The Company's executive remuneration policy for executive directors and KMP comprises the following objectives:

- (a) To reward employees for achieving corporate and individual performance goals in a fair and equitable manner; and
- (b) To ensure the remuneration package reflects the employees' duties and responsibilities.



CORPORATE GOVERNANCE REPORT

Remuneration of executive director and key management personnel (“KMP”) (Continued)

The executive remuneration packages for the executive directors and KMP comprise the following components:

- (a) Basic salary;
- (b) Variable/performance-related bonuses; and
- (c) Allowance/other benefits.

For FY 2023, the RC is satisfied that the performance-related bonus granted to the executive director was reflective of his performance and contributions, taking into account the extent to which his performance conditions were met. The RC and Board believe that the executive remuneration policy is aligned with the short-term and long-term interests of the shareholders and that it promotes the long-term success of the Company.

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 KMP. Besides, the service contracts of the executive director and KMP 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. The RC performs an annual review on the structure for directors’ fees and ensures that the remuneration is appropriate and not excessive, taking into account the directors’ effort, time spent, and responsibilities. The aggregate directors’ fees for each financial year are subject to shareholders’ approval at the AGM.

There is no requirement in the Company’s Constitution for directors to hold shares in order to be qualified to act as a director of the Company. The Company also does not discourage directors from holding shares in the Company.

The Company’s remuneration policy for directors comprises the following objectives:

- (a) To ensure that the process in determining remuneration for directors is formal and transparent;
- (b) To ensure that the level of remuneration is sufficient (not excessively) to attract and retain directors to exercise oversight responsibility over the Company; and
- (c) To ensure that no directors is involved in deciding on his/her own remuneration.

Directors’ fees structure

When reviewing the structure and level of directors’ fees, which comprise a base director fee and additional fees for services rendered on Board Committees, and fee for Chairmanship. The RC takes into consideration the directors’ respective roles and responsibilities on the Board and Board Committees and the changes in the business, corporate governance practices, and regulatory rules. The RC also considers the frequency of Board and Board Committees and the interval since the last revision of directors’ fees. The RC is also mindful that the remuneration of the directors should not be excessive so as to compromise directors’ independence. No director is involved in deciding his own remuneration.

Role	Chairman (per annum)	Member (per annum)
Board of Director	S\$10,000 (additional)	S\$8,000 (Non-independent director)
		S\$24,000 (Independent director)
Audit Committee	S\$6,000	S\$4,000
Attendance Fee	S\$500 per trip	

CORPORATE GOVERNANCE REPORT

Remuneration of non-executive directors (Continued)

Directors' fees structure (Continued)

Every director receives a base fee of S\$8,000 per annum except for independent directors who receive S\$24,000 per annum. The Chairman of the Board receives an additional S\$10,000 per annum. The AC members receive S\$4,000 per annum while the AC Chairman receives S\$6,000 per annum. Attendance fees of S\$500 per trip is payable for attendance in person or via teleconference or video conference at each Board or Board Committees meeting.

The RC is of the view that the remuneration of non-executive directors is appropriate to their level of contributions, taking into consideration factors such as effort, time spent, and responsibilities, and to attract, retain and motivate the non-executive directors as well as not over-compensated to the extent that their independence may be compromised.

Approval of the shareholders will be sought at the forthcoming 2023 AGM for the payment of a total of S\$107,500 as directors' fees.

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 KMP. The RC will seek expert advice as and when necessary.

Principle 8 – Disclosure of 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 KMP for FY 2023 are presented below.

Remuneration of directors

Remuneration paid to the directors of the Company for FY 2023 is set out in bands of S\$250,000. For competitive and sensitive reasons, remuneration paid to the executive director is not disclosed in detail.

Name of director	Remuneration band	Salary	Bonus	Allowance/ other benefits	Directors' fees	Total
Loh Kgai Mun	S\$250,000 to below S\$500,000	66%	26%	8%	–	100%
Sam Chong Keen	Below S\$250,000	–	–	–	S\$44,000	S\$44,000
Chai Woon Chew	Below S\$250,000	–	–	–	S\$32,000	S\$32,000
Tan Sri Cheng Heng Jem	Below S\$250,000	–	–	–	S\$10,500	S\$10,500
Lee Whay Keong ⁽¹⁾	Below S\$250,000	–	–	–	S\$13,000	S\$13,000
Cheng Theng How ⁽²⁾	Below S\$250,000	–	–	–	S\$8,000	S\$8,000

Notes:

- (1) Mr Lee Whay Keong replaced Mr Cheng Theng How as member of AC, NC and RC on 31 December 2022.
- (2) Mr Cheng Theng How resigned as non-executive director on 31 December 2022. Consequent to his resignation, he also ceased to be member of AC, NC and RC.

CORPORATE GOVERNANCE REPORT

Remuneration of top five KMP

The aggregate remuneration paid to the top five KMP of the Group (who were not directors or the executive director) for FY 2023 amounted to S\$488,188. None of the KMP, except as disclosed above for Mr Loh Kgai Mun, whose aggregate remuneration per annum exceeds S\$250,000 for FY 2023.

Remuneration of employees who are substantial shareholders/immediate family members of director, the executive director/substantial shareholder

There were no employees of the Group who were 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 for FY 2023.

Other payments and benefits paid to directors and KMP

During FY 2023, there were no terminations, share-based incentives, retirements, or post-employment benefits, granted to the directors, the executive director, or the KMP.

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.

The Board aims to provide a balance 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 SGX-ST listing rules.

Risk management and internal control system

The Board is responsible for the governance of risk and ensures that the 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, risk policies and oversees the 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.

Annually, 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 the Management, who assumes ownership and responsibilities. The Management is responsible for implementing risk management strategy, including the establishment of corporate policies and procedures.

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

CORPORATE GOVERNANCE REPORT

Assurance from executive director and group accountant

For FY 2023, the executive director and group accountant 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.

Based on the risk management and internal control systems established and maintained by the Group, work performed by the internal auditors, statutory audit undertaken by the external auditors, and reviews conducted by the executive director and the Management, as well as the signed letter of opinion by the executive director and group accountant of the Company, the Board, with the concurrence of the AC, is of the opinion that the group's internal control were effective and adequate as at 30 June 2023 to address the financial, operational, compliance, information technology controls and risk management systems of the Group.

Principle 10 – Audit Committee

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

AC composition

The AC comprises three non-executive directors with two independent directors, including the Chairman. Eight AC meetings were held in FY 2023.

Sam Chong Keen	<i>(Chairman, independent director)</i>
Chai Woon Chew	<i>(Independent director)</i>
Lee Whay Keong	<i>(Non-executive director)</i>

The expertise of AC members

All AC members held senior positions in various industries and sectors and possess a wealth of management experience, including *inter alia*, accounting, and finance.

Mr Sam, the AC Chairman, having held senior/CEO positions in various companies/industries, has a wealth of management experience. Mr Chai is a partner of a legal firm serving a wide range of large multinationals, public limited companies as well as private businesses, financial institutions, and individuals. Mr Lee Whay Keong has relevant accounting, financial and banking expertise. The Board is of the view that all AC members, being reviewed annually, bring with them invaluable and relevant managerial and professional expertise including accounting and related financial management and are appropriately qualified to discharge their responsibilities.

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



CORPORATE GOVERNANCE REPORT

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, information technology controls, and risk management systems;
- (c) reviewing the adequacy and effectiveness of the Company's internal audit function;
- (d) assessing the independence of external and internal auditors;
- (e) reviewing the external audit's scope and findings, its cost-effectiveness, and the independence and objectivity of the external auditors;
- (f) 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; and
- (g) reviewing interested person transactions to ensure compliance with the regulations set out in SGX-ST Listing Manual.

Annually, before the commencement of the respective audit work, the AC reviews the audit plan and the scope of internal audit work with the internal auditors. In ensuring 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 on the appropriateness of the established methods and procedures for the interested person transactions.

During FY 2023, the AC held eight meetings with internal auditors and the Management. External auditors attended two of the meetings. The AC met once with each of the internal auditors and the external auditors without the presence of the Management.

The AC reviewed and approved the Group external auditors' audit plan and assessed the quality of the work carried out by the external auditors in accordance with the Audit Quality Indicators Disclosure Framework as published by the Accounting and Corporate Regulatory Authority and is satisfied with the performance. It also reviewed the periodic consolidated financial statements (together with Management's estimates and judgements adopted in the preparation of the consolidated financial statements), the auditors' report issued by both the internal and external auditors, and the Management's report on the risk management framework before submissions to the Board.



CORPORATE GOVERNANCE REPORT

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 and right-of-use assets

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, the AC is satisfied with the valuation process and methodologies used for the valuation of PPE and right-of-use assets. The related impairment was an area of concern, hence has been included as KAM. Please refer to pages 41 and 42 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 forecast of future economic condition. The AC reviewed the Management's proceed over assessing the recoverability of the overdue debts.

The impairment assessment of trade receivables has been included as KAM. Please refer to pages 42 and 43 of this Annual Report for more details.

(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 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 43 of this Annual Report for more details.

The financial statements, including the KAM, were recommended to the Board.

The AC has explicit authority to investigate any matter within its term of reference and has full co-operation of and access to the Management. It has full discretion to invite any director or the Management 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 auditors. They are also encouraged to attend, at the Company's expense, courses or seminars conducted by external professionals to keep abreast of such changes.



CORPORATE GOVERNANCE REPORT

Whistle-blowing policy

The Group has a whistle-blowing policy in place whereby employees of the Group may, in confidence and good faith, whether anonymously or otherwise, raise concerns on possible improprieties in matters of financial reporting or other issues and will have protection against reprisals provided he has acted in good faith. The identity of the whistle-blower will be kept confidential and investigation will be conducted on a confidential basis to the extent permissible or deemed appropriate, on best effort basis. All whistle-blowing incidents will be reported to the AC. Concerns expressed will be considered and investigated on the basis of their merits. The AC ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. The Company website provides a “Contact LAP” link and such report will be made directly to the receiving officer.

Independence of external auditor

The AC is responsible for nominating the external auditors 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.

For FY2023, the AC reviewed the independence and objectivity of the external auditors as well as the audit and non-audit fees. As there were no non-audit services performed by the external auditors, the external auditors’ independence was not affected.

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	FY 2023		FY 2022	
	S\$'000	% of Total fees	S\$'000	% of Total fees
Audit Fees	118	100	118	100
Non-Audit Fees	–	–	–	–
Total Fees	118	100	118	100

For FY 2023, none of the AC members were previous partner/director of RSM Chio Lim LLP (“RSM”), the external auditors of the Company, and none of them hold any financial interest in RSM.

Taking into account the independency of RSM and other factors such as the size and complexity of the Group and the adequacy of resources and experience of RSM, the AC has recommended the re-appointment of RSM as the external auditor at the 2023 AGM. The Company has complied with SGX-ST Listing Rules 712 and 715 in relation to external auditors.

Internal audit

The Group’s internal audit (“IA”) resides in-house. The work undertaken by the Group IA involves the assessment of the adequacy and effectiveness of the Group’s risk management and material internal controls, including financial, operational, compliance and information technology controls, and risk management systems. Any significant non-compliance or lapses in internal controls together with remedial measures are reported by the IA to the AC. The AC also reviews the adequacy and timeliness of the rectifications by the Management of the auditee entity.

The group internal audit manager reports to the AC Chairman functionally 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 by executives with relevant qualifications and experience who are member of internationally recognised professional accountancy bodies. The AC ensures that the Group IA is adequately resourced. It conducts its IA functions according to the standard of the Professional Practice of Internal Auditing of the Institute of Internal Auditors. Group IA has direct access to the AC and unfettered access to the Group’s documents, records, properties, and personnel.

CORPORATE GOVERNANCE REPORT

Adequacy and effectiveness of internal audit function

The AC reviews the adequacy, effectiveness and independence of the IA function annually. For FY 2023, the AC is satisfied that the IA function was independent, effective, and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11- Shareholder rights and conduct of general meetings

The company treats all shareholders fairly and equitably 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 treats all its shareholders fairly and equitably and keeps all the shareholders informed of its corporate activities, including changes in the Company and its business, which might materially affect the price or value of its shares, on a timely basis.

Promoting environmental sustainability, the Company has discontinued the practice of mailing its annual reports or circulars to shareholders. 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, published in the newspapers and on the Company's website.

The Company's general meetings were generally held physically in locations that are easily accessible by public transportation ensuring that shareholders have the opportunity to participate effectively and vote at such meetings.

In circumstances where resolutions tabled at general meetings are passed through a process of voting by poll, the company secretary or the polling agent will clearly explain procedures at the beginning of the voting in such general meetings.

If any shareholder is unable to attend a general meeting in person, 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.

The Constitution allows for absentia voting by mail, email or facsimile at general meetings.

2022 AGM & 2023 extraordinary general meeting ("EGM")

During FY 2023, the Company held physical AGM and an EGM to seek shareholders' approval for the proposed interested person transactions mandate ("**IPM Mandate**") on 31 October 2022 and 22 March 2023 respectively. The Notice of AGM & EGM were announced via SGXNet and were also made available on the Company's website and published in newspapers. Annual Report, circular, and proxy forms were made available to shareholders via SGXNet and the Company's website. The Company provided its responses to SGX queries relating to 2022 Annual Report via SGXNet and on the Company's website on 20 October 2022.



CORPORATE GOVERNANCE REPORT

2022 AGM & 2023 extraordinary general meeting (“EGM”) (Continued)

The executive director of the Company gave presentations at the general meetings, providing further elaboration to shareholders. The Company conducted electronic poll voting for shareholders/proxies present at the physical meeting for all the resolutions proposed at the general meetings. Shareholders were informed of the rules, including voting procedures, governing such general meetings. A scrutineer was appointed to count and validate the votes cast at the general meetings. Each share is entitled to one vote. The voting results of all votes casted on each resolution were displayed live to shareholders/proxies immediately after each poll conducted. Shareholders were invited to put forth any questions they might have on the motions to be debated and decided upon, and vote on the resolutions at general meetings.

Separate resolutions at general meetings

To safeguard shareholders interest and rights, a separate resolution is proposed for each distinct matter at general meetings unless the matters are interdependent and interrelated, they will be combined to become a resolution. Where resolutions are combined, the reasons and explanatory notes will be set out 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. Where possible, all directors will be present at the general meetings to address any query. The external auditors will also be present to provide clarifications on audit issues.

The directors, the Management, the external auditors and legal adviser attended the 2022 AGM. The directors, the Management, legal adviser and independent financial adviser attended the 2023 EGM.

Voting by poll at general meetings

All resolutions are to put to the vote by electronic poll voting at general meetings to ensure transparency. One vote for each ordinary share held. Voting procedures and rules governing general meetings are explained and vote tabulations are disclosed at the general meetings. Independent scrutineers are appointed to conduct the voting process, verify and tabulate votes after each resolution. The results of the voting showing the number of votes cast for and against each resolution and the respective percentages are shown to the shareholders at the end of each resolution before the Chairman declares the passing of the resolution. The voting results will be announced via SGXNet after the conclusion of the general meetings.

All resolutions of the 2022 AGM and 2023 EGM were voted by poll and have been checked and validated by B.A.C.S. Private Limited, the appointed scrutineer.

Minutes of general meetings

The company secretary prepares minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. These minutes are available to shareholders upon request. All minutes of general meetings will be published on the Company’s website as soon as practicable.

Minutes of the 2022 AGM and 2023 EGM were published via SGXNet and posted on the Company’s website within one month from the meetings. 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.



CORPORATE GOVERNANCE REPORT

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.

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.

On 12 December 2022, the Company paid a one-time special cash dividend of 10 cents per ordinary share to shareholders.

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. At general meetings, the executive director gave presentation on the Group's performance for the reporting financial year or the purpose of any extraordinary meetings. Shareholders are 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 2022 AGM, shareholders were allowed to submit questions relating to the annual report, letter to shareholders, and resolutions set out in the notice of 2022 AGM in advance. The Company's responses to SGX queries on 2022 Annual Report were subsequently published on SGXNet and the Company's website before the 2022 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 via SGXNet 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.

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 within a week.



CORPORATE GOVERNANCE REPORT

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 2023, a link to access the said report is set out on page 37 of this Annual Report.

In addition, the Company maintains a corporate website: www.lionasiapac.com to enable stakeholders to communicate and engage with the Company.

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 ("**Embargo Periods**"). 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 also served as a reminder to the directors and officers of the Group of their obligations under insider trading laws.

The Company issues circulars to its directors and officers informing them that the Company and its officers must not deal in listed securities of the Company during the applicable Embargo Periods, and if they are in possession of unpublished price-sensitive information. The Directors are also required to report their dealings in the Company's securities within two business days.

Material contracts

Save as disclosed in this Annual Report, there were no material contracts of the Group involving the interests of any director or controlling shareholder, entered into during the financial year, that required to be disclosed under the SGX-ST listing rules.



INTERESTED PERSON TRANSACTIONS

The aggregate value of Interested Person Transactions (“IPT”) entered into during the financial year ended 30 June 2023 pursuant to the IPT Mandate obtained under Chapter 9 of the Listing Manual is set out as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under IPT Mandate pursuant to Rule 920) S\$'000	Aggregate value of all IPTs conducted under IPT Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
<u>Sales of lime products</u> Amsteel Mills Sdn Bhd	Associates of Tan Sri Cheng Heng Jem, who is the non-executive director and controlling shareholder of the Company	–	3,661
<u>Sales of steel consumables</u> Amsteel Mills Sdn Bhd		–	16,019
<u>Sales of mining equipments</u> Lion Mining Sdn Bhd		–	172
<u>Maintenance expense</u> Amsteel Mills Sdn Bhd		–	167

SUMMARY OF SUSTAINABILITY REPORT 2023

We are pleased to present Lion Asiapac Limited's ("LAP") fifth Sustainability Report for the financial year 2023.

For the preparation of this report, no third parties' assurances have been engaged. Instead, LAP's internal auditor has reviewed the sustainability reporting process and performed relevant data verification work to ensure the accuracy and reliability of the sustainability information disclosed.

Our assessment is based on the Global Reporting Initiative (GRI) reporting framework. Through the ongoing process of interaction with stakeholders, the sustainability committee has reviewed the material factors to reflect the changes during the last year.

LAP's material environment, social and governance ("ESG") factors and performance targets are:

Environmental	
Energy management	Maintaining energy consumption rate of 2022
Emission of greenhouse gas	Maintaining GHG emission intensity within 10% of 2022 level (0.81 CO ₂ e per MT)
Social	
Employee training and education	Average training hours per employee of 8 hours per year
Occupational health and safety	Zero work-related fatalities
Governance	
Economic performance	To deliver stable and sustainable economic growth for the business and financial returns for the shareholders
Anti-corruption	Zero incidents of anti-corruption behaviour/practices
Corporate governance	Continuous strengthening of the enterprise risk management framework

This report includes climate reporting with the recommendation of TCFD and greenhouse gas (GHG) emissions as the ESG material topic affecting business operations.

The full Sustainability Report for 2023 is available at the Company's website:
<http://www.lionasiapac.com/index.php/investors>

STATEMENT BY DIRECTORS

Board of 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 2023.

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
Lee Whay Keong
Chai Woon Chew

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 1967 (the "Act"), except as follows:

The Company:	Shareholdings in which a director is deemed to have an interest	
	As at 1.7.2022	As at 30.6.2023
	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.

The directors' interest as at 21st July 2023 were the same as those at the end of the reporting year.

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. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Sam Chong Keen	Chairman
Chai Woon Chew	Independent Director
Lee Whay Keong	Non-Executive Director (appointed on 31 Dec 2022)

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, 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).

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 is 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.

STATEMENT BY DIRECTORS

7. Independent auditor

The independent auditor, RSM Chio Lim LLP, has expressed its willingness to accept re-appointment.

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

Following the announcement on 21 August 2023, the Group, through its subsidiary, LAP Energy Sdn Bhd, entered into a conditional share sales and purchase agreement, to acquire 100% interest in Semangat Meriah Sdn Bhd ("Semangat"), a company incorporated in Malaysia, for a cash consideration of RM14.0 million (approximately S\$4.1 million).

The adjusted net tangible asset value of Semangat as at 30 June 2023 was approximately RM22.5 million, and taking into account the dividend amount of RM9 million declared and paid on 18 August 2023 as well as the potential for appreciation in the value of industrial land owned by the Semangat which is currently held at book value.

Semangat is in the business of providing high-end premium roofing and wall cladding systems to the building industry in Malaysia. It is an investment holding company, which holds:

- a) 96.79% of the shares in Swissma Building Technologies Sdn. Bhd.; and
- b) 65.00% of the shares in Associated Steel Industries (M) Sdn. Bhd.

The acquisition was completed on 30 August 2023 and Semangat will be consolidated with effect from this date.

On 1 September 2023, the Group announced that it entered into a conditional share purchase agreement with 1207791 B.C. Limited for the proposed disposal of entire issued ordinary shares of Compact Energy Sdn. Bhd. for an estimated consideration of RM49.0 million (approximately S\$14.3 million).

The disposal has not been completed at the time these financial statements were authorised for issue.

On behalf of the directors

.....
Loh Kgai Mun
Director

.....
Lee Whay Keong
Director

25 September 2023



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

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 2023, 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 1967 (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 2023 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 and right-of-use assets

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, Note 20 on right-of-use assets 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") and right-of-use assets ("ROUA") amounted to S\$1,531,000 and S\$1,083,000 and represents approximately 2.4% and 1.7% of the Group's total assets respectively, as at 30 June 2023.



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 and right-of-use assets (Continued)

Management considered both the market approach and cost approach (depreciated replacement cost method) in determining fair value less cost of disposal ("FVLCO") of PPE. 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 assets. The recoverable amount of ROUA was assessed using the discounted cash flow approach. An impairment loss is the excess of the carrying value over the recoverable amount, and is recognised in profit or loss. 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 the impairment allowance for the PPE and ROUA and whether the accumulated impairment allowance on PPE should be reversed as at 30 June 2023.

Management engaged an independent valuation expert for assistance in its assessment. The independent valuation expert adopted the depreciated replacement cost approach for PPE (except for freehold land, which was based on the market approach) and discounted cash flow approach for ROUA. 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 adjusted for 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 recoverable amounts of PPE and ROUA.
- Involved our own internal 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 internal 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.

(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\$5,489,000 which represents approximately 8.5% of the Group's total assets as at the reporting year end.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

Key audit matters (Continued)

Group (Continued)

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

The determination of 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 economic conditions. 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:

- 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.

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 2023, the Company's cost of investments and long-term receivables from subsidiaries amounted to a total of S\$56,696,000. Collectively, these are the net investment in subsidiaries of the Company and it represents approximately 94.2% of the total assets in the statement of financial position of the Company.

For the non-performing subsidiaries or if the subsidiaries 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. There is no impact from the adjustments at the Group level.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

Key audit matters (Continued)

Company (Continued)

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

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.

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.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

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.

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.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

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

25 September 2023

Engagement partner – effective from year ended 30 June 2020



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2023

	Notes	2023 S\$'000	2022 S\$'000
Revenue	5	30,357	29,719
Other income and gains	6	1,338	1,312
Goods, materials and consumables used		(25,087)	(23,205)
Depreciation of property, plant and equipment	11	(383)	(854)
Depreciation of right-of-use assets	20	(178)	(203)
Employee benefits expense	7	(2,526)	(2,379)
Other expenses	8	(4,378)	(5,703)
Changes in inventories of finished goods		44	(10)
Finance cost	20	(93)	(96)
Other losses	6	(1,997)	(7)
Loss before tax		(2,903)	(1,426)
Income tax expense	9	(101)	(134)
Loss, net of tax		(3,004)	(1,560)
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	1,784	(2,265)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	19B	(4,421)	(438)
Other comprehensive loss, net of tax		(2,637)	(2,703)
Total comprehensive loss		(5,641)	(4,263)
Earnings per share (losses)			
Basic and diluted losses per share (cents)	10	(3.70)	(1.92)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	Group		Company	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	1,531	1,721	–	–
Right-of-use assets	20	1,083	1,073	–	–
Investments in subsidiaries	12	–	–	56,696	63,054
Other financial assets	13	1,784	–	–	–
Total non-current assets		4,398	2,794	56,696	63,054
Current assets					
Inventories	14	5,409	5,401	–	–
Trade and other receivables	15	6,116	9,551	67	11
Other non-financial assets	16	925	330	–	–
Cash and cash equivalents	17	48,046	59,636	3,431	5,436
Total current assets		60,496	74,918	3,498	5,447
Total assets		64,894	77,712	60,194	68,501
EQUITY AND LIABILITIES					
Equity					
Share capital	18	47,494	47,494	47,494	47,494
Retained earnings		20,569	31,683	11,196	19,540
Other reserves	19	(9,804)	(7,167)	–	–
Capital and reserves attributable to owners of the Company		58,259	72,010	58,690	67,034
Total equity		58,259	72,010	58,690	67,034
Non-current liabilities					
Deferred tax liabilities	9B	224	224	224	224
Lease liabilities	20	967	1,097	–	–
Total non-current liabilities		1,191	1,321	224	224
Current liabilities					
Income tax payable		61	76	–	–
Lease liabilities	20	236	76	–	–
Trade and other payables	21	4,778	3,827	1,280	1,243
Provisions	22	369	402	–	–
Total current liabilities		5,444	4,381	1,280	1,243
Total liabilities		6,635	5,702	1,504	1,467
Total equity and liabilities		64,894	77,712	60,194	68,501

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

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2023

Group	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total S\$'000
Current year:				
Opening balance as at 1 July 2022	47,494	(7,167)	31,683	72,010
Changes in equity:				
Loss for the year	–	–	(3,004)	(3,004)
Other comprehensive loss	–	(2,637)	–	(2,637)
Total comprehensive loss for the year	–	(2,637)	(3,004)	(5,641)
Dividends paid (Note 23)	–	–	(8,110)	(8,110)
Closing balance as at 30 June 2023	47,494	(9,804)	20,569	58,259
Previous year:				
Opening balance as at 1 July 2021	47,494	(4,464)	34,054	77,084
Changes in equity:				
Loss for the year	–	–	(1,560)	(1,560)
Other comprehensive loss	–	(2,703)	–	(2,703)
Total comprehensive loss for the year	–	(2,703)	(1,560)	(4,263)
Dividends paid (Note 23)	–	–	(811)	(811)
Closing balance as at 30 June 2022	47,494	(7,167)	31,683	72,010
Company				
Current year:				
Opening balance as at 1 July 2022		47,494	19,540	67,034
Changes in equity:				
Total comprehensive loss for the year		–	(234)	(234)
Dividends paid (Note 23)		–	(8,110)	(8,110)
Closing balance as at 30 June 2023		47,494	11,196	58,690
Previous year:				
Opening balance as at 1 July 2021		47,494	24,601	72,095
Changes in equity:				
Total comprehensive loss for the year		–	(4,250)	(4,250)
Dividends paid (Note 23)		–	(811)	(811)
Closing balance as at 30 June 2022		47,494	19,540	67,034

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2023

	2023 S\$'000	2022 S\$'000
<u>Cash flows from (used in) operating activities</u>		
Loss before tax	(2,903)	(1,426)
Adjustments for:		
Depreciation of property, plant and equipment	383	854
Depreciation of right-of-use assets	178	203
Property, plant and equipment written-off	6	19
Reversal of impairment loss on trade receivables	-	(9)
Interest income	(761)	(901)
Interest expense	93	96
Unrealised currency translation gains	2,673	74
Operating cash flows before changes in working capital	(331)	(1,090)
Inventories	(472)	(828)
Trade and other receivables	2,625	(3,535)
Other non-financial assets	(965)	20
Trade and other payables	1,037	1,556
Net cash flows from (used in) operations	1,894	(3,877)
Income tax paid, net	-	(12)
Net cash flows from (used in) operating activities	1,894	(3,889)
<u>Cash flows (used in) from investing activities</u>		
Purchase of property, plant and equipment	(417)	(274)
Interest received	335	309
Net cash flows (used in) from investing activities	(82)	35
<u>Cash flows used in financing activities</u>		
Lease liabilities	(242)	(268)
Dividends paid to owners of the Company	(8,110)	(811)
Net cash flows used in financing activities	(8,352)	(1,079)
Net decrease in cash and cash equivalents	(6,540)	(4,933)
Cash and cash equivalents, statement of cash flows, beginning balance	24,042	29,073
Effects of currency translation on cash and cash equivalents	(1,263)	(98)
Cash and cash equivalents, statement of cash flows, ending balance (Note 17)	16,239	24,042

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2023

Reconciliation of liabilities arising from financing activities:

	Opening balance S\$'000	Proceeds, principal and interest payments S\$'000	Non-cash charges			Closing balance S\$'000
			New leases S\$'000	Interest expenses S\$'000	Foreign exchange movement S\$'000	
2023						
Lease liabilities	1,173	(242)	271	93	(92)	1,203
2022						
Lease liabilities	1,350	(268)	24	96	(29)	1,173

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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.

Uncertainties relating to the current macroeconomic conditions

Management has considered the uncertain and challenging macroeconomic and geopolitical environment that have caused widespread increase in interest rates and a significant rise in inflation, affecting the cost of many of the goods and services for customers and suppliers. Management reviewed the probable impact and plausible downside scenarios. No material uncertainties were identified in connection with the reporting entity’s ability to continue in operational existence for the near 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 Accounting Standards Committee under ACRA (“ASC”). They are in compliance with the provisions of the Companies Act 1967 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

1. GENERAL (CONTINUED)

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 1967, the Company's separate statement of profit or loss and other comprehensive income is not presented.

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.



NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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

2A. Significant accounting policies (Continued)

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the condition attached to them will be complied with and that 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.

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 2023

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

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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

2A. Significant accounting policies (Continued)

Property, plant and equipment (Continued)

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.

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.



NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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

2A. Significant accounting policies (Continued)

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.

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 2023

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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

2A. Significant accounting policies (Continued)

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.

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.



NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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

2B. Other explanatory information (Continued)

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 and right-of-use assets:

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 property, plant and equipment is measured based on the fair value less costs of disposal; and the right-of-use assets was assessed based on discounted cash flow approach. 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\$2,614,000 (2022: S\$2,794,000).

Assessment of expected credit loss on trade receivables:

The allowance for expected credit losses ("ECL") assessment requires a degree of estimation and judgement. 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 current economic conditions). 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 15 on trade and other receivables.



NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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

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

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\$56,696,000 (2022: S\$63,054,000).

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.

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	
	2023 S\$'000	2022 S\$'000
Related parties:		
Revenue – sale of goods and services	19,852	14,375
Purchases of goods	(161)	(120)
Interest income received/receivables	12	4
Rental paid/payable	(111)	(117)
Rental recharged	49	47
Penalties received for shortfall on minimum purchases	324	162
Incentive claim income received/receivable	52	31
Maintenance expense	167	–

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3B. Key management compensation:

	Group	
	2023 S\$'000	2022 S\$'000
Salaries and other short-term employee benefits	824	814
Contribution to defined contribution plans	74	71
	898	885

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.

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

	Group	
	2023 S\$'000	2022 S\$'000
<u>Related parties:</u>		
<u>Other receivables:</u>		
Balance at beginning of the year	221	242
Amounts billed to related parties	444	294
Amounts paid in by related parties	(426)	(308)
Foreign exchange adjustments	(18)	(7)
Balance at end of the year (Note 15)	221	221

<u>Other payables:</u>		
Balance at beginning of the year	(165)	(15)
Amounts billed by related parties	(2,388)	(1,553)
Amounts paid out to related parties	2,361	1,403
Foreign exchange adjustments	13	-
Balance at end of the year (Note 21)	(179)	(165)

	Company	
	2023 S\$'000	2022 S\$'000
<u>Subsidiaries:</u>		
<u>Other payables:</u>		
Balance at beginning of the year	(817)	(823)
Amounts paid out to subsidiaries	16	6
Balance at end of the year (Note 21)	(801)	(817)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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) lime sales, (2) trading, (3) investment holding. 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) Lime sales – production and sales of quicklime, hydrated lime and quicklime powder.
- b) Trading – trading of consumable required for steel product manufacturing and trading of mining equipment.
- c) Investment holding – managing investments.

4B. Profit or loss from continuing operations and reconciliations

	Lime sales S\$'000	Trading S\$'000	Investment holding S\$'000	Total S\$'000
2023:				
Revenue	14,166	16,191	–	30,357
Segment results	(1,141)	(539)	(564)	(2,244)
Other income and gains	476	273	589	1,338
Other losses	(443)	(336)	(1,218)	(1,997)
Loss before tax				(2,903)
Income tax expense				(101)
Loss for the year				(3,004)
Non-cash expenses				
Depreciation	438	123	–	561
2022:				
Revenue	18,610	11,109	–	29,719
Segment results	(1,638)	(600)	(493)	(2,731)
Other income and gains	299	360	653	1,312
Other losses	–	–	(7)	(7)
Loss before tax				(1,426)
Income tax expense				(134)
Loss for the year				(1,560)
Non-cash expenses				
Depreciation	913	136	8	1,057

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4C. Assets and reconciliations

	Lime sales S\$'000	Trading S\$'000	Investment holding S\$'000	Total S\$'000
2023:				
Reportable segment assets and consolidated total assets	21,606	14,892	28,396	64,894
2022:				
Reportable segment assets and consolidated total assets	20,997	15,422	41,293	77,712

4D. Liabilities and reconciliations

	Lime sales S\$'000	Trading S\$'000	Investment holding S\$'000	Total S\$'000
2023:				
Reportable segment liabilities	5,309	434	668	6,411
Unallocated:				
Deferred tax liabilities				224
Consolidated total liabilities				6,635
2022:				
Reportable segment liabilities	4,648	176	654	5,478
Unallocated:				
Deferred tax liabilities				224
Consolidated total liabilities				5,702

4E. Other material items and reconciliations

	Lime sales S\$'000	Trading S\$'000	Investment holding S\$'000	Total S\$'000
2023:				
Capital expenditure	415	273	–	688
2022:				
Capital expenditure	274	–	24	298

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 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4F. Geographical information

As at 30 June 2023, the Group's three business segments operated in two main geographical areas:

Malaysia – the main activity is lime sales and trading; and

Singapore – the main activity is investment holding.

China – the main activity is trading of mining equipment.

	Revenue		Non-current assets	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Malaysia	30,167	29,700	2,396	2,727
Australia	–	–	1,784	–
Singapore	9	19	218	67
China	172	–	–	–
Others	9	–	–	–
	30,357	29,719	4,398	2,794

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

	2023 S\$'000	2022 S\$'000
Top 1 customer in lime sales and trading	19,679	14,375
Top 2 customers in lime sales and trading	22,005	18,742
Top 3 customers in lime sales and trading	23,821	21,240

5. REVENUE

Revenue from contracts with customers

	Group	
	2023 S\$'000	2022 S\$'000
Sale of goods	30,357	29,719

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

6. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	Group	
	2023 S\$'000	2022 S\$'000
Other income and gains:		
Interest income	761	901
Penalties from shortfall on minimum purchases	324	162
Rental recharged	98	95
Reversal of impairment loss on receivables – related parties	–	9
Incentive claim income	52	31
Management fee income	12	13
Others	91	101
	1,338	1,312
Other losses:		
Foreign exchange translation losses	(1,554)	(7)
Inventory adjustment	(443)	–
	(1,997)	(7)
Net	(659)	1,305

7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023 S\$'000	2022 S\$'000
Short term employee benefits expense	2,247	2,120
Employer's contribution to defined contribution plans	209	206
Other benefits	70	53
Total employee benefits expense	2,526	2,379

8. OTHER EXPENSES

The major and other selected components include the following:

	Group	
	2023 S\$'000	2022 S\$'000
Audit fees to the independent auditor of the Company	89	67
Audit fees to the other independent auditor – network firms	21	50
Audit fees to the other independent auditor – non-network firms	5	–
Limekiln restart cost	–	203
Limekiln refurbishment cost	16	348
Property, plant and equipment written-off	6	19
Maintenance expense	476	252
Material handling	376	427
Transportation expense	1,210	2,190
Utilities	1,275	1,315

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

9. INCOME TAX

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

	Group	
	2023 S\$'000	2022 S\$'000
Current tax expense:		
Current tax expense	103	134
Over adjustments in respect of prior periods	(2)	–
Total income tax expense	101	134

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% (2022: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2023 S\$'000	2022 S\$'000
Loss before tax	(2,903)	(1,426)
Income tax income at the above rate	(494)	(242)
Expenses not deductible for tax purposes	814	375
Effect of different tax rates in different countries	(462)	(44)
Income not subject to tax	(120)	(130)
Utilisation of deferred tax assets not recognised previously	–	(87)
Over adjustments in respect of prior periods	(2)	–
Deferred tax assets not recognised	365	262
Total income tax expense	101	134

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

	Group and Company	
	2023 S\$'000	2022 S\$'000
Deferred tax liabilities:		
Foreign income not remitted	(224)	(224)
Total deferred tax liabilities	(224)	(224)

	Group			
	Gross		Unrecognised deferred tax assets	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Unrecognised deferred tax assets:				
Unused tax losses available	17,074	16,781	3,715	3,686
Unabsorbed allowances	10,484	11,540	2,516	2,770
Unrecognised deferred tax assets	27,558	28,321	6,231	6,456

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

9. INCOME TAX (CONTINUED)

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

Included in unrecognised deferred tax assets are amounts for tax losses of S\$2,784,000 (2022: S\$2,858,000) 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.

10. EARNINGS PER SHARE (LOSSES)

The basic losses per share is calculated by dividing the Group's loss, 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	
	2023	2022
Loss, net of tax attributable to owners of the Company (S\$'000)	(3,004)	(1,560)
Weighted average number of ordinary shares ('000) (Note 18)	81,105	81,105
Losses per share (cents)	(3.70)	(1.92)

The diluted losses per share is the same as the basic losses per share as there were no share options outstanding (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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 2021	707	381	28,505	908	75	58	30,634
Additions	-	11	147	12	3	101	274
Written-off	-	-	(223)	(14)	-	-	(237)
Reclassification	-	-	147	-	-	(147)	-
Foreign exchange adjustments	(18)	(10)	(731)	(1)	(1)	(3)	(764)
At 30 June 2022	689	382	27,845	905	77	9	29,907
Additions	-	24	40	15	15	323	417
Written-off	-	-	(84)	(1)	-	-	(85)
Reclassification	-	197	55	-	-	(252)	-
Foreign exchange adjustments	(57)	(32)	(2,375)	(14)	(6)	(14)	(2,498)
At 30 June 2023	632	571	25,481	905	86	66	27,741
<u>Accumulated depreciation and impairment:</u>							
At 1 July 2021	-	248	27,105	837	51	-	28,241
Depreciation for the year	-	15	818	16	5	-	854
Written-off	-	-	(207)	(11)	-	-	(218)
Foreign exchange adjustments	-	30	(714)	(5)	(2)	-	(691)
At 30 June 2022	-	293	27,002	837	54	-	28,186
Depreciation for the year	-	18	344	16	5	-	383
Written-off	-	-	(76)	(3)	-	-	(79)
Foreign exchange adjustments	-	(25)	(2,234)	(17)	(4)	-	(2,280)
At 30 June 2023	-	286	25,036	833	55	-	26,210
<u>Carrying value:</u>							
At 1 July 2021	707	133	1,400	71	24	58	2,393
At 30 June 2022	689	89	843	68	23	9	1,721
At 30 June 2023	632	285	445	72	31	66	1,531

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 2023.

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 2023 and 2022. During the reporting year, as there were no improvements to the operational profitability of plant and equipment, no reversal on impairment loss to the carrying amount of the plant and equipment was required.

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

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 adjusted for forward-looking estimates.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 S\$'000	2022 S\$'000
Unquoted equity shares at cost	5,087	5,087
Loan receivables ^(a)	101,567	108,095
Allowance for impairment	(49,958)	(50,128)
Carrying value	56,696	63,054

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

	Company	
	2023 S\$'000	2022 S\$'000
Movements during the year. At carrying value:		
Balance at beginning of the year	63,054	63,497
Reversal (Allowance) of impairment loss ^(b)	170	(3,858)
(Repayment) Additions of loan receivables	(6,528)	3,415
Balance at end of the year	56,696	63,054
Movements in allowance for impairment:		
Balance at beginning of the year	50,128	46,270
(Reversal) Allowance of impairment loss to profit or loss of Company ^(b)	(170)	3,858
Balance at end of the year	49,958	50,128

(b) The net tangible assets/liabilities of subsidiaries were considered to assess the allowance for impairment. There was an improvement in the financial positions of the subsidiaries in 2023, which has resulted in a reversal of impairment of S\$170,000. While in 2022, there was an allowance for impairment of S\$3,858,000, as a result of a weakened subsidiaries' financial positions.

The subsidiaries that are all 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	
	2023 S\$'000	2022 S\$'000
Held by the Company:		
LAP Trading & Marketing Pte. Ltd. ⁽¹⁾ Singapore Trading of scrap metal	*	*
LAP Investment Pte. Ltd. ⁽¹⁾ Singapore Investment holding	*	*

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Unquoted equity shares at cost	
	2023 S\$'000	2022 S\$'000
Held by the Company:		
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
Effective percentage of equity held by group		
Name of subsidiaries, country of incorporation, place of operations and principal activities	2023	2022
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 Lime sales	100%	100%
LAP Trading (Shanghai) Co., Ltd ⁽⁴⁾ The People's Republic of China Trading	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 Wei-Zhong Yong-Guang Certified Public Accountants Co., Ltd. (Ordinary 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

13. OTHER FINANCIAL ASSETS

	Group	
	2023 S\$'000	2022 S\$'000
Balance is made up of:		
Investment in equity shares at FVTOCI	1,784	–

13A. Movements in balances

	Group	
	2023 S\$'000	2022 S\$'000
Movements during the year:		
Fair value at beginning of the year	–	2,265
Increase (Decrease) in fair value through other comprehensive income	1,784	(2,265)
Fair value at end of the year	1,784	–

Other financial assets comprised the quoted shares of Mindax Limited, which was listed on the Australian Securities Exchange (“ASX”). In the previous reporting year, the equity investment was voluntary suspended, therefore the fair value of the investment value was written down to nil and classified as level 3. As the security recommenced trading on the ASX on 1 March 2023, the Group recognised fair value changes on equity instrument at their fair value (level 1) through other comprehensive income.

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

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

	Group	
	2023 S\$'000	2022 S\$'000
Fair value at end of the year:		
Quoted equity shares:		
Australia	1,784	–
Unquoted equity shares:		
Malaysia ^(a)	–	–

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

13. OTHER FINANCIAL ASSETS (CONTINUED)

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

	2023 %	2022 %
<u>Percentage of equity held by the Group:</u>		
Quoted equity shares:		
Australia	1.6	1.7
Unquoted equity shares:		
Malaysia ^(a)	*	*

(*) Percentage holding is not significant.

(a) 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 and classified as level 3.

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

14. INVENTORIES

	Group	
	2023 S\$'000	2022 S\$'000
Raw materials and consumables	4,963	4,961
Finished goods	446	440
	5,409	5,401

There are no inventories pledged as security for liabilities.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Trade receivables:				
Outside parties	2,644	3,435	-	-
Related parties ^(a)	2,845	5,485	-	-
Net trade receivables	5,489	8,920	-	-
Other receivables:				
Outside parties	242	161	1	-
Related parties (Note 3) ^{(a)(b)}	221	221	9	-
Interest receivables	164	249	57	11
Net other receivables	627	631	67	11
Total trade and other receivables	6,116	9,551	67	11

	Group	
	2023 S\$'000	2022 S\$'000
Movements in above allowance:		
At beginning of the year	-	9
Reversal of impairment loss (Note 6)	-	(9)
At end of the year	-	-

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

(b) Other receivables mainly consist of an amount of S\$166,000 (2022: S\$181,000) which pertains to partial amount of reimbursable cost payable to Gas Malaysia Berhad rechargeable to the related parties (Note 22).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

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 current economic conditions. 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
2023:		
Current	4,046	-
1 to 30 days past due	518	-
31 to 60 days past due	428	-
61 to 90 days past due	365	-
Over 90 days past due	132	-
Total	5,489	-
Group	Gross amount S\$'000	Loss allowance S\$'000
2022:		
Current	6,782	-
1 to 30 days past due	714	-
31 to 60 days past due	640	-
61 to 90 days past due	646	-
Over 90 days past due	138	-
Total	8,920	-

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 (2022: 30 days). But some customers take a longer period to settle the amounts.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Group	
	2023 S\$'000	2022 S\$'000
Top 1 customer	2,680	5,485
Top 2 customers	3,581	6,552
Top 3 customers	4,144	6,995

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 current economic conditions. 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.

16. OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Advance payments	516	–	–	–
Deposits to secure services	301	229	–	–
Prepayments	79	87	–	–
GST recoverable	29	14	–	–
	925	330	–	–

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Cash at bank and on hand	10,996	3,043	467	378
Fixed deposits ^(a)	37,050	56,593	2,964	5,058
Cash at end of the year	48,046	59,636	3,431	5,436

Cash and cash equivalents in the statement of cash flows:

	Group	
	2023 S\$'000	2022 S\$'000
Amount as shown above	48,046	59,636
Cash subjected to foreign exchange control ^(b)	(31,807)	(35,594)
Cash and cash equivalents in the statement of cash flows	16,239	24,042

(a) Cash and cash equivalents bear interest rates from 0% to 4.15% (2022: 0% to 2.8%) per annum.

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

18. SHARE CAPITAL

Group and Company	Number of shares issued '000	Share capital S\$'000
Balances as 1 July 2021, 30 June 2022 and 30 June 2023	81,105	47,494

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.

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 continuing compliance with the 10% free-float requirement throughout the reporting year.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

19. OTHER RESERVES

	Group	
	2023 S\$'000	2022 S\$'000
Statutory reserve ^(a)	180	180
Currency translation reserve ^(b)	(13,880)	(9,459)
Capital reserve ^(c)	2,112	2,112
Fair value reserve ^(d)	1,784	–
Total (adverse balance)	(9,804)	(7,167)

- (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.

19A. Statutory reserve

	Group	
	2023 S\$'000	2022 S\$'000
At beginning and end of the year	180	180

19B. Currency translation reserve

	Group	
	2023 S\$'000	2022 S\$'000
At beginning of the year	(9,459)	(9,021)
Net currency translation differences from consolidation of foreign operations	(4,421)	(438)
At end of the year (adverse balance)	(13,880)	(9,459)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

19. OTHER RESERVES (CONTINUED)

19C. Capital reserve

	Group	
	2023 S\$'000	2022 S\$'000
At beginning and end of the year	2,112	2,112

19D. Fair value reserve

	Group	
	2023 S\$'000	2022 S\$'000
At beginning of the year	–	2,265
Increase (Decrease) in fair value of equity investments at FVTOCI	1,784	(2,265)
At end of the year	1,784	–

20. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS

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 2021	1,233	284	1,517
Additions	–	24	24
Foreign exchange adjustments	(24)	(1)	(25)
At 30 June 2022	1,209	307	1,516
Additions	–	271	271
Foreign exchange adjustments	(81)	(2)	(83)
At 30 June 2023	1,128	576	1,704
<u>Accumulated depreciation:</u>			
At 1 July 2021	126	114	240
Depreciation of the year	63	140	203
Foreign exchange adjustments	*	*	*
At 30 June 2022	189	254	443
Depreciation of the year	58	120	178
Foreign exchange adjustments	*	*	*
At 30 June 2023	247	374	621
<u>Carrying value:</u>			
At 1 July 2021	1,107	170	1,277
At 30 June 2022	1,020	53	1,073
At 30 June 2023	881	202	1,083

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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

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 16 years (2022: 3 months to 17 years); there are no variable payments linked to an index.

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

	Group	
	2023 S\$'000	2022 S\$'000
Lease liabilities, current	236	76
Lease liabilities, non-current	967	1,097
	1,203	1,173

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 2.90% to 8.25% (2022: 2.90% to 8.25%) per year. The interest expense on lease liabilities amounted to S\$93,000 (2022: S\$96,000).

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 2023 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 assets, or profit and loss if the right-of-use assets is already reduced to zero.

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

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Trade payables:				
Outside parties	2,827	1,764	-	-
Other payables:				
Outside parties	944	909	242	223
Related parties (Note 3)	179	165	-	-
Subsidiaries (Note 3)	-	-	801	817
Accrued liabilities	828	989	237	203
Other payables – subtotal	1,951	2,063	1,280	1,243
Total trade and other payables	4,778	3,827	1,280	1,243

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

22. PROVISIONS

	Group	
	2023 S\$'000	2022 S\$'000
Provision for contractual obligations	369	402
Movement in above provision:		
At beginning of the year	402	413
Foreign exchange adjustments	(33)	(11)
At end of the year	369	402

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.

23. DIVIDENDS

	Rate per share – cents		Group and Company	
	2023	2022	2023 \$'000	2022 \$'000
Final tax exempt (1-tier) dividend paid	10	1	8,110	811
Total dividends paid in the year	10	1	8,110	811

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	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	54,162	69,187	3,498	5,447
Financial assets at FVOCI	1,784	–	–	–
At end of the year	55,946	69,187	3,498	5,447
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	5,981	5,000	1,280	1,243
At end of the year	5,981	5,000	1,280	1,243

Further quantitative disclosures are included throughout these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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 2023

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 (2022: 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 year S\$'000	1 – 3 years S\$'000	3 – 5 years S\$'000	Over 5 years S\$'000	Total S\$'000
Non-derivative financial liabilities:					
2023:					
Gross lease liabilities	264	279	212	1,150	1,905
Trade and other payables	4,778	–	–	–	4,778
At end of the year	5,042	279	212	1,150	6,683
Non-derivative financial liabilities:					
2022:					
Gross lease liabilities	159	244	231	1,369	2,003
Trade and other payables	3,827	–	–	–	3,827
At end of the year	3,986	244	231	1,369	5,830
					Less than 1 year S\$'000
Company					
Non-derivative financial liabilities:					
2023:					
Trade and other payables					1,280
At end of the year					1,280
Non-derivative financial liabilities:					
2022:					
Trade and other payables					1,243
At end of the year					1,243

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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

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	
	2023 S\$'000	2022 S\$'000
Financial assets with interest:		
Fixed rates	37,050	56,593
	Company	
	2023 S\$'000	2022 S\$'000
Financial assets with interest:		
Fixed rates	2,964	5,058

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.

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 follow:

Group	US Dollar S\$'000	China Renminbi S\$'000	Singapore Dollar S\$'000	Total S\$'000
2023:				
Financial assets:				
Cash and cash equivalents	23	11,182	-	11,205
Trade and other receivables	-	-	177	177
Total financial assets	23	11,182	177	11,382
2022:				
Financial assets:				
Cash and cash equivalents	23	15,960	-	15,983
Trade and other receivables	-	-	46	46
Total financial assets	23	15,960	46	16,029

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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

24G. Foreign currency risks (Continued)

The Company's non-functional currencies exposure is as follow:

Company	US Dollar S\$'000	China Renminbi S\$'000	Total S\$'000
2023:			
<u>Financial assets:</u>			
Cash and cash equivalents	21	-	21
Total financial assets	21	-	21
<u>Financial liabilities:</u>			
Trade and other payables	-	(88)	(88)
Total financial liabilities	-	(88)	(88)
Net financial liabilities at end of the year	21	(88)	(67)
2022:			
<u>Financial assets:</u>			
Cash and cash equivalents	22	-	22
Total financial assets	22	-	22
<u>Financial liabilities:</u>			
Trade and other payables	-	(97)	(97)
Total financial liabilities	-	(97)	(97)
Net financial liabilities at end of the year	22	(97)	(75)

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

Sensitivity analysis:

A hypothetical 1% (2022: 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 (loss) profit of

Group	
2023 S\$'000	2022 S\$'000
(112)	(160)

A hypothetical 1% (2022: 1%) strengthening in the exchange rate of the functional currency against the China Renminbi with all other variables held constant would have an favorable effect on pre-tax (loss) profit of

Company	
2023 S\$'000	2022 S\$'000
1	1

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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

24G. Foreign currency risks (Continued)

The effect on Group's and Company's pre-tax (loss) 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.

24H. Equity price risk

There are investments in financial instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the financial instruments. The fair values of these are disclosed in Note 13.

25. EVENTS AFTER THE END OF THE REPORTING YEAR

Acquisition of Semangat Meriah Sdn. Bhd.

On 30 August 2023 the Group acquired 100% of the share capital of Semangat Meriah Sdn. Bhd. ("Semangat"), incorporated in Malaysia. Semangat was bought in cash for an amount of RM14.0 million (approximately S\$4.1 million). The transaction will be accounted for by the acquisition method of accounting. The detailed disclosures required by the financial accounting standards on business combination could not be made because the initial accounting for the business combination is incomplete at the time the financial statements were authorised for issue. The purchase price allocation is incomplete and the necessary financial information is not available yet.

The adjusted net tangible asset value of Semangat as at 30 June 2023 was approximately RM22.5 million, and taking into account the dividend amount of RM9 million declared and paid on 18 August 2023 as well as the potential for appreciation in the value of industrial land owned by the Semangat which is currently held at book value.

Semangat is in the business of providing high-end premium roofing and wall cladding systems to the building industry in Malaysia. It is an investment holding company, which holds:

- a) 96.79% of the shares in Swissma Building Technologies Sdn. Bhd.; and
- b) 65.00% of the shares in Associated Steel Industries (M) Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

25. EVENTS AFTER THE END OF THE REPORTING YEAR (CONTINUED)

Proposed disposal of Compact Energy Sdn. Bhd.

On 1 September 2023, the Group announced that it had entered into a conditional share purchase agreement with 1207791 B.C Limited (the “Purchaser”) for the proposed disposal (the “Proposed Disposal”) of entire issued ordinary shares of Compact Energy Sdn. Bhd. (“CESB”), for an estimated consideration of RM49.0 million (approximately S\$14.3 million) to the Purchaser. Upon completion of the Proposed Disposal, CESB shall cease to be a subsidiary of the Group, and the Group will exit from the business of limestone processing and steel consumables trading. An EGM will be held to seek shareholders’ approval on the Proposed Disposal.

26. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the ASC. Those applicable to the reporting entity are listed below. These 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
Various	Annual Improvements to SFRS (I)s 2018-2020 – Amendments to SFRS(I) 1 First-time Adoption of SFRS(I); IFRS 9 Financial Instruments; SFRS(I) 16 Leases, and; SFRS(I) 1-41 Agriculture

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

The Group has not adopted the following financial reporting standards applicable to the Group (with no material impact expected) that have been issued but not yet effective:

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 2024
SFRS (I) 1-1	Disclosure of Accounting Policies – Amendments to SFRS (I) 1-1 and SFRS (I) Practice Statement 2 Making Materiality Judgements	1 Jan 2023
SFRS (I) 1-8	Definition of Accounting Estimates – Amendments to	1 Jan 2023
SFRS(I) 1-12, SFRS(I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to	1 Jan 2023
SFRS(I) 16	Lease Liability in a Sale and Leaseback (Amendments)	1 Jan 2024

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

At an extraordinary general meeting (“**EGM**”) of the Company held on 22 March 2023, shareholders of the Company (“**Shareholders**”) approved the amended and expanded 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 mandated interested persons (the “**Mandated 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 annual general meeting (“**AGM**”) of the Company, being the forthcoming 53rd AGM.

Accordingly, the directors of the Company (the “**Directors**”) are proposing that the approval of Shareholders for the renewal of the IPT Mandate be sought at the 53rd AGM of the Company to be held at The Conference Room, 10 Arumugan Road, #10-00 LTC Building A, Singapore 409957 on 31 October 2023 at 11.00 a.m.

General information relating to Chapter 9 of the Listing Manual is set out in pages 102 and 103 of this Annexure.

If Shareholders 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.

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

WongPartnership LLP is the Singapore legal adviser to the Company for 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 (the “**Mandated Interested Person Transactions**”) with the Mandated Interested Persons for mutual benefit. Such Mandated Interested Person Transactions are likely to occur with some degree of frequency, and could arise at any time. Such Mandated Interested Person Transactions would include the provision of goods and services in the ordinary course of business of the Group to the Mandated Interested Persons or the obtaining of services from such Mandated Interested Persons.

In particular, it is expected that the Group will, from time to time, receive management, administrative and operational support services from, or provide management, administrative and operational support services to, its Mandated Interested Persons in areas of logistics, information technology, legal, compliance, corporate secretarial, tax, accounting, internal audit and leasing of space for warehousing or office purposes. By having access to and providing such management, administrative and operational support, the Group will derive operational and financial leverage in its dealings with third parties as well as benefits from the global network of its Mandated Interested Persons. Such management, administrative and operational support services are necessary for the day-to-day operations of the Group and are thus in the ordinary course of business of the Group.

Given that the Mandated 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 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 Mandated Interested Person Transactions with the Mandated Interested Persons as set out in paragraphs 4 and 3 below, respectively.

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

2. Benefits of the IPT Mandate

The IPT Mandate is intended to facilitate the carrying out of the Mandated Interested Person Transactions in the normal course of business of the Group which are transacted, from time to time, with the Mandated 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.

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 Mandated Interested Person Transactions with a Mandated 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. Names of Mandated Interested Persons

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

S/No.	Name of the Mandated Interested Person	Principal activities
1.	Amsteel Mills Sdn Bhd	It is involved in the manufacture of billets, steel bars and wire rods, for use in construction, fabrication and manufacturing industries.
2.	Bonus Essential Sdn Bhd	It is involved in property investment and property development.
3.	CEDR Corporate Consulting Sdn Bhd	It provides competency-based human resource development solutions and systems for training and development of human resources (training provider).
4.	Lion Industries Corporation Berhad	It is an investment holding company and is involved in property development.
5.	Lion Mining Sdn Bhd	It is involved in the mining and trading of mineral resources.
6.	Lion Steel Sdn Bhd	It is involved in the production of flat steel products.
7.	Lion Steelworks Sdn Bhd	It is involved in the manufacture of quality custom-made furniture, steel office furniture, home office desk furniture, physical security products, industrial steel storage system, industrial.
8.	Lion Titco Resources Sdn Bhd	It is a slag processing and metal extraction business.
9.	Lion Tooling Sdn Bhd	It is involved in the manufacturing and reconditioning of knives, rollers, machinery and engineering parts for various industries and precision electrical discharge machining and vacuum heat treatment for special steel.

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

3. Names of Mandated Interested Persons (Continued)

S/No.	Name of the Mandated Interested Person	Principal activities
10.	Lion Trading & Marketing Sdn Bhd	It is involved in the sale and marketing of steel office furniture, physical security products, industrial steel storage system and other steel related fabricated products.
11.	Parkson Investment Holding Co., Ltd 金狮百盛投资有限公司	It is an investment holding company. It also provides bookkeeping and accounting services to the Company's subsidiary in Shanghai.
12.	Parkson Supplies Pte Ltd	It is involved in the wholesale and trade of a variety of goods without a dominant product and other holding company. It leases office space from the Company.
13.	Posim Petroleum Marketing Sdn Bhd	It is involved in the trading of building materials, petroleum-based products including automotive and industrial lubricants under the 'Hi-Rev' and 'T-Trax' brands, and automotive components.
14.	Secom (M) Sdn Bhd	It is a security solutions provider.
15.	Shanghai Hongqiao Parkson Development Co Ltd. 上海虹桥百盛商贸有限公司	Its operates and owns a departmental store. It also leases office space to the Company's subsidiary in Shanghai.
16.	Shanghai DEbier Management Consulting Co., Ltd. 上海华狮管理咨询有限公司	It provides investment consulting, business consulting, market research and business development planning (operating under license involving licensed business) services.
17.	Shanghai AMB Management Consulting Co., Ltd. 上海银狮管理咨询有限公司	It provides enterprise management consulting, investment consulting, business consulting, international economic information consulting, trade information consulting, science and technology consulting and market research (involving licensed business on the basis of license) services.

All of the Mandated Interested Persons are associates of Tan Sri Cheng Heng Jem, who is a Non-Executive Director and controlling shareholder of the Company.

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.

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

4. Categories of Mandated Interested Person Transactions

The transactions entered into by the Group with the Mandated 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 Mandated 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 Mandated 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, administrative and operational support services in areas of logistics, information technology, legal, compliance, corporate secretarial, tax, accounting, internal audit and leasing of space for warehousing and office purposes relating to its business operations. The basis of determining the contract and/or transaction terms are defined herein below.

4.4 Supply of Mining Equipment, Machinery, Heavy Vehicles and Related Spare Parts

The Group intends to supply mining equipment, machinery, heavy vehicles and related spare parts to the Mandated Interested Persons. The basis of determining the contract and/or transaction terms are defined herein below.

The IPT Mandate will not cover any transaction by a company in the Group with a Mandated 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. Methods and Procedures for Mandated Interested Person Transactions

To ensure that the Mandated 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 Mandated Interested Persons if the terms offered by or extended to the Mandated Interested Persons are respectively no less favourable or more favourable than the terms that may be obtainable from or extended to unrelated third parties.



ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

5.1 In general, the Group has internal control procedures to ensure that the Mandated 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 methods and procedures are as follows:

- (i) all contracts entered into or transactions with Mandated 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 Mandated 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 lack of demand for the lime products from unrelated third parties (as it may not be economically viable for such unrelated third parties to purchase from the Group after taking into account transportation costs) or the then prevailing business conditions, the Company will apply a reasonable percentage mark-up from cost to ensure that the pricing for such products or services to a Mandated Interested Person is in accordance with industry norms and usual business practices, the strategic direction of the Group, pricing policies of the relevant company in the Group and the Group obtains a positive gross margin on the transactions. The Company will seek the Audit Committee's prior approval for the percentage mark-up on a quarterly basis. In determining the percentage mark-up for such products, the Audit Committee will take into account factors such as, but not limited to, specifications, quantity, volume, customer requirements, duration of contract, cost of funds to the Group and credit worthiness; and
- (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 members of the Audit Committee (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.

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

5.1 (Continued)

(b) Sale of Consumables Required for Steel Product Manufacturing

The methods and procedures are as follows:

- (i) all contracts entered into or transactions with Mandated 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 Mandated 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 lack of demand for the same or substantially similar products by unrelated third parties (as it may not be economically viable for such unrelated third parties to purchase from the Group after taking into account transportation costs) or the then prevailing business conditions, the Company will apply a reasonable percentage mark-up from cost to ensure that the pricing for such products or services to a Mandated Interested Person is in accordance with industry norms and usual business practices, the strategic direction of the Group, pricing policies of the relevant company in the Group and the Group obtains a positive gross margin on the transactions. The Company will seek the Audit Committee's prior approval for the percentage mark-up on a quarterly basis. In determining the percentage mark-up for such products, the Audit Committee will take into account factors such as, but not limited to, specifications, quantity, volume, customer requirements, duration of contract, cost of funds to the Group and credit worthiness; and
- (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 2% of the Group's latest audited net tangible assets ("**NTA**") to be reviewed and approved by the Group Internal Audit Manager;
 - (B) contracts and transactions amounting to or exceeding 2% of the Group's latest audited NTA but less than 5% of the Group's latest audited NTA to be reviewed and approved by the Group Internal Audit Manager and any one of the members of the Audit Committee (who does not have an interest in the contracts and/or transactions); or
 - (C) contracts and transactions amounting to or exceeding 5% of the Group's latest audited NTA to be reviewed and approved by the Audit Committee.

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

5.1 (Continued)

(c) Provision and/or Obtaining of Services arising from Business Operations

The methods and procedures are as follows:

- (i) all contracts entered into or transactions with Mandated 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 Mandated 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 a Mandated Interested Person, the lack of demand for the same or substantially similar services by unrelated third parties or the then prevailing business conditions (such as the provision of information technology services by the Group to the Mandated Interested Persons or the supply of utilities by the Group to the Mandated Interested Persons as the Group is the main account holder for such services utilised by the entities within the Group and Mandated Interested Persons), the Company will apply a reasonable percentage mark-up from cost or through a formula, to ensure that the pricing for such services to the Mandated Interested Person is in accordance with industry norms and usual business practices, the transfer pricing guidelines issued by the relevant tax authorities (if applicable), the strategic direction of the Group, pricing policies of the relevant company in the Group and the Group obtains a positive gross margin on the transactions. The Company will seek the Audit Committee's prior approval for the percentage mark-up on a quarterly basis. In determining the percentage mark-up for such services, the Audit Committee will take into account factors such as but not limited to, service requirements, duration of contract, credit worthiness, cost of funds to the Group and the benefit of such transactions to the Group;
- (iii) where the prevailing market prices or rates are not available due to the nature of the services to be obtained from a Mandated Interested Person (for example, where the Mandated Interested Person is the sole provider of such services which includes administrative services for bookkeeping and statutory filing purposes, which are provided by the Mandated Interested Persons in the People's Republic of China (the "PRC") to the Group's subsidiary in the PRC), the Company will assess and ensure that the pricing for such services from the Mandated 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, the Audit Committee will take into account factors such as, but not limited to, service requirements, duration of contract, credit worthiness, cost of funds to the Group and the benefit of such transactions to the Group;

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

5.1 (Continued)

- (c) Provision and/or Obtaining of Services arising from Business Operations (Continued)
 - (iv) in relation to leasing arrangements entered into between the Company and Mandated Interested Persons, the rental fees will be determined based on third party valuations; and
 - (v) 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 members of the Audit Committee (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.
- (d) Supply of Mining Equipment, Machinery, Heavy Vehicles and Related Spare Parts

The methods and procedures are as follows:

- (i) all contracts entered into or transactions with the Mandated Interested Persons are to be carried out at terms which will be no less favourable than those offered by the Group to at least two (2) unrelated third party customers after taking into consideration various factors including, *inter alia*, the size of the transaction, the product specifications, the delivery schedule, the payment milestones as well as freight and installation charges (the “**Relevant Factors**”);
- (ii) where such unrelated third party comparisons are not available (for example, due to the lack of sale of the same or similar products to unrelated third party customers, customisation of the products required by the Mandated Interested Persons according to the requirements of their mines or the then prevailing business conditions), the Company will apply a percentage mark-up from cost, to ensure that the pricing for such products to the Mandated Interested Person is in accordance with industry norms and usual business practices, the strategic direction of the Group and pricing policies of the relevant company in the Group and the Group obtains a positive gross margin on the transactions. The Company will seek the Audit Committee's prior approval for the percentage mark-up on a quarterly basis. In determining the percentage mark-up for such products, the Audit Committee will take into account the Relevant Factors as well as other applicable factors (such as the terms offered by suppliers and cost of funds to the Group) to ensure that the Group will always achieve a better return from such transactions; and

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

5.1 (Continued)

- (d) Supply of Mining Equipment, Machinery, Heavy Vehicles and Related Spare Parts (Continued)
- (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 2% of the Group's latest audited NTA shall be reviewed and approved by the Group Internal Audit Manager;
 - (B) contracts and transactions amounting to or exceeding 2% of the Group's latest audited NTA but less than 5% of the Group's latest audited NTA shall be reviewed and approved by the Group Internal Audit Manager and any one of the members of the Audit Committee (who does not have an interest in the contracts and/or transactions); or
 - (C) contracts and transactions amounting to or exceeding 5% of the Group's latest audited NTA shall be reviewed and approved by the Audit Committee.

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

5.2 Additional Controls

- (a) The Company will maintain a register of transactions carried out with Mandated 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 Group Internal Audit Manager shall sample review the transactional documents relating to the sale of lime products and provision and/or obtaining of services arising from business operations to or from the Mandated Interested Persons once every six (6) months.
- (c) The Company's annual internal audit plan shall incorporate a review of (i) all Mandated Interested Person Transactions; and (ii) the established methods and procedures for monitoring of such Mandated Interested Person Transactions, in the relevant financial year pursuant to the IPT Mandate.
- (d) The Audit Committee shall review and approve the maximum value ("**Pre-Approved Cap**") of Mandated Interested Person Transactions for each category of Mandated Interested Person Transactions for the forthcoming 12 months or for a shorter period, as may be determined by the Audit Committee. The Pre-Approved Cap shall be determined based on historical values of the Mandated Interested Person Transactions, the indicative pricing of future Mandated Interested Person Transactions and the latest audited NTA of the Group. Notwithstanding that a contract or a transaction is within the thresholds set out in paragraphs 5.1(a)(iii), 5.1(b)(iii), 5.1(c)(v) or 5.1(d)(iii) above, ratification shall be sought from the Audit Committee should the Pre-Approved Cap for that contract or transaction be breached.

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

5.2 Additional Controls (Continued)

- (e) The Group Internal Audit Manager shall report to the Audit Committee on all Mandated Interested Person Transactions, and the basis of such transactions, entered into with Mandated Interested Persons during the preceding period every three (3) months. The Audit Committee shall review such Mandated Interested Person Transactions at its periodic meetings except where the Mandated Interested Person Transactions are required under the established methods and procedures to be approved by the Audit Committee prior to the entry thereof.
- (f) The Audit Committee will conduct periodic reviews at least once every six (6) months, of the established methods and procedures for Mandated Interested Person Transactions. If, during these periodic reviews, the Audit Committee is of the view that these methods and procedures are no longer appropriate or sufficient to ensure that the Mandated 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 methods and procedures for Mandated Interested Person Transactions. While a fresh IPT Mandate is being sought from the Shareholders, the Audit Committee shall review and approve all Mandated Interested Person Transactions prior to the entry thereof.
- (g) 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 Mandated 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 methods and procedures for the Mandated Interested Person Transactions or during its review or approval of any Mandated Interested Person Transaction.

5.3 Further Compliance

The Directors will ensure that all relevant disclosures, approvals and other requirements on Mandated 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 53rd 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 will continue to be in force 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 earlier, unless revoked or varied by the Company in a general meeting.



ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

7. Disclosure

Pursuant to Rule 920(1)(a) of the Listing Manual:

- (a) disclosure will be made in the annual report of the Company, giving details of the aggregate value of the interested person transactions conducted pursuant to the IPT Mandate during the financial year under review and in the annual reports for the subsequent financial years during which the IPT Mandate is in force, as required by the provisions of the Listing Manual;
- (b) announcements will be made with regard to the aggregate value of the interested person transactions conducted pursuant to the IPT Mandate for the financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report; and
- (c) the names of the interested persons and the corresponding aggregate value of the interested person transactions will be presented in the following format (pursuant to Rule 907 of the Listing Manual):

Name of the interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)

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

The interests of the Directors and substantial shareholders of the Company ("**Substantial Shareholders**") in the ordinary shares in the capital of the Company ("**Shares**") as at 15 September 2023 can be found on page 125 of this Annual Report.

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

9. Abstentions

Tan Sri Cheng Heng Jem is a Non-Executive Director and controlling shareholder of the Company. By virtue of his interest in the Mandated Interested Persons, Tan Sri Cheng will abstain, and will ensure that his associates abstain, from voting on the ordinary resolution relating to the renewal of the IPT Mandate at the 53rd AGM.

Mr Lee Whay Keong, a Non-Executive Director, is also a director of (a) CEDR Corporate Consulting Sdn Bhd; (b) Lion Steelworks Sdn Bhd; (c) Lion Titco Resources Sdn Bhd; (d) Lion Tooling Sdn Bhd; (e) Lion Trading & Marketing Sdn Bhd; (f) Posim Petroleum Marketing Sdn Bhd; and (g) Shanghai AMB Management Consulting Co., Ltd, all of which are Mandated Interested Persons. Mr Lee Whay Keong will abstain, and will ensure that his associates abstain, from voting on the ordinary resolution relating to the renewal of the IPT Mandate at the 53rd AGM.

Further, Tan Sri Cheng Heng Jem and Mr Lee Whay Keong and their respective associates will decline to accept appointment as proxies to vote at the 53rd AGM in respect of the ordinary resolution approving the renewal of the IPT Mandate unless specific instructions as to voting are given by the Shareholder concerned.

Each of the Substantial Shareholders as set out in page 125 of this Annual Report 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 53rd AGM.

Further, each of the Substantial Shareholders and their associates will decline to accept appointment as proxies to vote at the 53rd AGM in respect of the ordinary resolution approving the renewal of the IPT Mandate unless specific instructions as to voting are given by the Shareholder concerned.

10. Non-Interested Directors' Recommendation

Tan Sri Cheng Heng Jem and Mr Lee Whay Keong have abstained from making any recommendation on the proposed renewal of the IPT Mandate. Please refer to paragraph 9 above for their relationship with the Mandated Interested Persons.

The Directors who are independent for the purposes of the IPT Mandate, namely Mr Sam Chong Keen, Mr Loh Kgai Mun and Mr Chai Woon Chew (the “**Non-Interested 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 Non-Interested Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the renewal of the IPT Mandate at the forthcoming 53rd AGM.



ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

11. Statement of the Audit Committee

The Audit Committee comprises Mr Sam Chong Keen (chairman of the Audit Committee), Mr Chai Woon Chew and Mr Lee Whay Keong.

As set out in paragraph 9 above, Mr Lee Whay Keong, who is a Non-Executive Director, is also a director of (a) CEDR Corporate Consulting Sdn Bhd; (b) Lion Steelworks Sdn Bhd; (c) Lion Titco Resources Sdn Bhd; (d) Lion Tooling Sdn Bhd; (e) Lion Trading & Marketing Sdn Bhd; (f) Posim Petroleum Marketing Sdn Bhd; and (g) Shanghai AMB Management Consulting Co., Ltd, all of which are Mandated Interested Persons. Mr Lee Whay Keong has abstained from making any recommendation or statement relating to the proposed renewal of the IPT Mandate.

The Audit Committee (excluding Mr Lee Whay Keong) confirms that:

- (a) the methods and procedures for determining the transaction prices have not changed since the Shareholders' approval of the IPT Mandate at the EGM held on 22 March 2023;
- (b) the methods and procedures referred to in paragraph 11(a) above are sufficient to ensure that the Mandated 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 methods and procedures for Mandated Interested Person Transactions if the methods and procedures referred to in paragraph 11(a) above are no longer appropriate or sufficient to ensure that the Mandated 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.

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.



ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

Chapter 9 of the Listing Manual applies to transactions which a company listed on the SGX-ST or any of its subsidiaries or associated companies, which is considered to be an “entity at risk” within the meaning of Rule 904(2) of the Listing Manual, proposes to enter into with a counterparty who is an interested person of the listed corporation within the meaning of Rule 904(4) of the Listing Manual.

Definitions

- (a) An “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.
- (b) 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, step-child, 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.
- (c) 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 group.
- (d) The term “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
- (e) A “**controlling shareholder**” means a person who:
 - (i) holds (directly or indirectly) 15% or more of the total voting rights in the company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder); or
 - (ii) in fact exercises control over a company.
- (f) An “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s) has control over the associated company.
- (g) An “**interested person**” in the case of a company means:
 - (i) a director, chief executive officer or controlling shareholder of the listed company; or
 - (ii) an associate of such director, chief executive officer or controlling shareholder.
- (h) An “**interested person transaction**” means a transaction between an entity at risk and an interested person.

ANNEXURE

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

General Requirements

An immediate announcement and/or Shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

Rule 905 of the Listing Manual states that a listed company must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited consolidated net tangible assets, or if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited consolidated net tangible assets, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

Rule 906 of the Listing Manual states that a listed company must also obtain shareholder approval for any interested person transaction of a value equal to, or more than (i) 5% of the group's latest audited consolidated net tangible assets; or (ii) 5% of the group's latest audited consolidated net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Rule 920 of the Listing Manual also permits a listed company to 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, that may be carried out with the interested persons. Transactions conducted under such a mandate are not subject to Rules 905 and 906 of the Listing Manual. The general mandate is subject to annual renewal.

Excluded Transactions

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction with a value of less than S\$100,000 is not considered material and is not taken into account for the purposes of this Annexure. However, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction having regard to the objective of Chapter 9 of the Listing Manual and the economic and commercial substance of the interested person transaction, instead of legal form and technicality.



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)
Chai Woon Chew
Tan Sri Cheng Heng Jem
Lee Whay Keong

12 October 2023

To: The Shareholders of Lion Asiapac Limited

Dear Sir/Madam,

Registered Office:

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

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 of the Company to be held on 31 October 2023 (the "**2023 AGM**"), and in particular, Ordinary Resolution 7 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 2023 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, Shareholders had approved the renewal of the Share Buyback Mandate at the last AGM of the Company held on 31 October 2022 (the “**2022 AGM**”). The Share Buyback Mandate was expressed to take effect on the date of the passing of the resolution to renew the Share Buyback Mandate at the 2022 AGM, and will expire on the date of the forthcoming 2023 AGM. Accordingly, Shareholders’ approval is being sought for the renewal of the Share Buyback Mandate at the 2023 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 2023 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 2023 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 AGM 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.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by Shareholders in any general meeting of the Company, such as at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of 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.

LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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.

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, could affect 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.

LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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.

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.



LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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.

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 its 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 Shares outstanding in a class that is 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 unaudited financial statements of the Group for the financial year ended 30 June 2023 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 2023 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

2.8 Financial Effects (Continued)

- (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 \$0.324 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 \$2,627,787; 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 \$0.324 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 \$2,627,787.

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 2022;
- (iii) the Company had purchased or acquired 8,110,453 Shares on 1 July 2022; 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,

on the unaudited financial statements of the Group and the Company for the financial year ended 30 June 2023 pursuant to the Share Buyback Mandate, are summarised in the following tables:



LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.8 Financial Effects (Continued)

(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 2023	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	58,259	58,259	58,259	58,690	58,690	58,690
Treasury shares	–	(2,628)	(2,628)	–	(2,628)	(2,628)
NTA ⁽¹⁾	57,176	54,548	54,548	58,690	56,062	56,062
Total equity	58,259	55,631	55,631	58,690	56,062	56,062
Current assets	60,496	57,868	57,868	3,498	870	870
Current liabilities	5,444	5,444	5,444	1,280	1,280	1,280
Working capital	54,127	51,499	51,499	2,218	(410)	(410)
Total borrowings	–	–	–	–	–	–
Cash and cash equivalents	48,046	45,418	45,418	3,431	803	803
Profit after tax and non-controlling interests	(3,004)	(3,004)	(3,004)	(234)	(234)	(234)
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 (\$)	0.70	0.75	0.75	0.72	0.77	0.77
EPS (cents) ⁽²⁾	(3.70)	(4.12)	(4.12)	(0.29)	(0.32)	(0.32)
Current ratio (times) ⁽³⁾	11	11	11	3	1	1
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.

LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.8 Financial Effects (Continued)

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

As at 30 June 2023	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	58,259	58,259	58,259	58,690	58,690	58,690
NTA ⁽¹⁾	57,176	54,548	54,548	58,690	56,062	56,062
Total equity	58,259	55,631	55,631	58,690	56,062	56,062
Current assets	60,496	57,868	57,868	3,498	870	870
Current liabilities	5,444	5,444	5,444	1,280	1,280	1,280
Working capital	54,127	51,499	51,499	2,218	(410)	(410)
Total borrowings	–	–	–	–	–	–
Cash and cash equivalents	48,046	45,418	45,418	3,431	803	803
Profit after tax and non-controlling interests	(3,004)	(3,004)	(3,004)	(234)	(234)	(234)
Number of Shares ('000)	81,105	72,995	72,995	81,105	72,995	72,995
Financial ratios						
NTA per Share (\$)	0.70	0.75	0.75	0.72	0.77	0.77
EPS (cents) ⁽²⁾	(3.70)	(4.12)	(4.12)	(0.29)	(0.32)	(0.32)
Current ratio (times) ⁽³⁾	11	11	11	3	1	1
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.

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 unaudited historical numbers for the financial year ended 30 June 2023, 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.

LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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;
- (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.

LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.9.2 Persons Acting in Concert (Continued)

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.

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 7 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.



LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.10 Listing Manual (Continued)

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.

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, 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 by way of Market Purchases and/or Off-Market Purchases 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	–	–	–	–
Mr Chai Woon Chew	–	–	–	–
Tan Sri Cheng Heng Jem	–	–	54,062,680	66.66
Mr Lee Whay Keong	–	–	–	–

LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONTINUED)

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 7 as set out in the Notice of AGM in respect of the renewal of the Share Buyback Mandate to be proposed at the 2023 AGM.

5. ANNUAL GENERAL MEETING

The 2023 AGM, notice of which is set out on pages 128 to 132 of the Annual Report, will be held at The Conference Room, 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957, on 31 October 2023 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.

LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

6. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the 2023 AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, in the following manner:

- (a) by post to the registered office of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957;
- (b) by post to the office of the Company's Share Registrar at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (c) by email to main@zicoholdings.com,

in each case, not less than 72 hours before the time appointed for holding the 2023 AGM, i.e. by 11.00 am on 28 October 2023. The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the 2023 AGM if he wishes to do so. In such an event, the relevant proxy form will be deemed to be revoked. A depositor shall not be regarded as a member entitled to attend and vote at the 2023 AGM unless his name appears in the Depository Register as at 72 hours before the time appointed for holding the 2023 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 2023 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:

“2022 AGM”	:	Has the meaning ascribed to it in paragraph 2.1 of this Letter.
“2023 AGM”	:	Has the meaning ascribed to it in paragraph 1.1 of this Letter.
“AGM”	:	Annual general meeting.
“Annual Report”	:	The annual report of the Company for the financial year ended 30 June 2023.
“Associate”	:	(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none"> (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 1967 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.
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time.



LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

DEFINITIONS (CONTINUED)

“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none"> (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.
“Court”	:	The General Division of the High Court of the Republic of Singapore.
“day of the making of the offer”	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Letter.
“Director”	:	A director of the Company for the time being.
“EPS”	:	Earnings per Share.
“Group”	:	The Company and its subsidiaries.
“Latest Practicable Date”	:	15 September 2023 being the latest practicable date prior to the finalisation of this Letter.
“Letter”	:	This letter to Shareholders dated 12 October 2023.
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Market Purchases”	:	Has the meaning ascribed to it in paragraph 2.3.3 of this Letter.
“Maximum Price”	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Letter.
“Notice of AGM”	:	The notice of AGM as set out on pages 128 to 132 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.
“public”	:	Has the meaning ascribed to it in the Listing Manual.
“Registrar”	:	The Registrar of Companies.
“related expenses”	:	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

DEFINITIONS (CONTINUED)

“ 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 AGM 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 2001 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 7 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.
“ 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.

LETTER TO SHAREHOLDERS

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

DEFINITIONS (CONTINUED)

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 SEPTEMBER 2023

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	: Nil

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 99	4	0.14	200	0.00
100 – 1,000	1,104	38.82	820,199	1.01
1,001 – 10,000	1,446	50.84	5,338,849	6.58
10,001 – 1,000,000	285	10.02	16,066,836	19.81
1,000,001 & above	5	0.18	58,878,455	72.60
Total	2,844	100.00	81,104,539	100.00

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
AMB Venture Sdn Bhd	29,750,128	36.68
Omali Corporation Sdn Bhd	24,312,552	29.98
Morph Investments Ltd	1,800,000	2.22
Andar Investment Pte Ltd	1,770,775	2.18
DBS Nominees Pte Ltd	1,245,000	1.54
ABN AMRO Clearing Bank N.V.	658,400	0.81
Gordon Cai Zhen Qiang or Wilson Cai Weicheng	610,000	0.75
See Beng Lian Janice	605,500	0.75
Ng Hian Gay	603,200	0.74
Phillip Securities Pte Ltd	542,896	0.67
OCBC Securities Private Ltd	523,800	0.65
Allan Chua Tiang Kwang	480,000	0.59
Maybank Securities Pte. Ltd.	411,900	0.51
Lee Cheow Yin	384,500	0.48
Estate of Tan Boon Kay, deceased	320,000	0.39
Cheong Soh Chin @ Julie	320,000	0.39
Tan Kay Yeong	310,000	0.38
Hexacon Construction Pte Ltd	309,400	0.38
Lim Thiam Hong	269,000	0.33
IFAST Financial Pte Ltd	227,824	0.28
Total	65,454,875	80.70

SHAREHOLDING HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 15 September 2023, 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 SEPTEMBER 2023

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 1967 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 53RD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 53rd Annual General Meeting of Lion Asiapac Limited (the “**Company**”) will be held at The Conference Room, 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957 on Tuesday, 31 October 2023 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

- | | | |
|----|---|------------------------------|
| 1. | To receive and adopt the Directors’ Statement, Audited Financial Statements for the financial year ended 30 June 2023 and the Independent Auditor’s Report thereon. | Ordinary Resolution 1 |
| 2. | To re-elect Mr Loh Kgai Mun, a director retiring pursuant to Article 98 of the Constitution of the Company and who, being eligible, offers himself for re-election. | Ordinary Resolution 2 |
| 3. | To approve the payment of S\$107,500 as directors’ fees for the financial year ended 30 June 2023 (2022: S\$116,000). | Ordinary Resolution 3 |
| 4. | To re-appoint RSM Chio Lim LLP as Auditors of the Company and to authorise the directors to fix their remuneration. | Ordinary Resolution 4 |

SPECIAL BUSINESS:

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

- | | | |
|----|--|------------------------------|
| 5. | General Mandate for Directors to Issue Shares and Instruments | Ordinary Resolution 5 |
|----|--|------------------------------|

“That pursuant to Section 161 of the Companies Act 1967 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 |
| | (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 Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the directors while this Resolution is in force, |
|-----|--|



NOTICE OF 53RD ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated 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 shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time that this Resolution is passed, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company for the time being; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting (“**AGM**”) of the Company or the date on which the next AGM of the Company is required by law to be held, whichever is earlier.”

6. **Proposed Renewal of Interested Person Transactions Mandate**

Ordinary Resolution 6

“That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered “entities at risk” under Chapter 9 of the Listing Manual of the SGX-ST or any of them, to enter into any of the transactions falling within the categories of interested person transactions set out in page 92 of the Company’s 2023 Annual Report (the “**Annual Report**”), with the interested persons described in pages 90 and 91 of the Annual Report, provided that such transactions are made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders, and are in accordance with the methods and procedures for interested person transactions as set out in pages 92 to 98 of the Annual Report (the “**IPM Mandate**”);

NOTICE OF 53RD ANNUAL GENERAL MEETING

- (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 on which the next AGM of the Company is required by law to be held, whichever is earlier;
- (c) the Audit Committee of the Company be and is hereby authorised to take such actions as it deems proper in respect of the methods and procedures for the IPT Mandate and/or to modify or implement such methods and procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; 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 Resolution.”

7. Proposed Renewal of Share Buyback Mandate

Ordinary Resolution 7

“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



NOTICE OF 53RD ANNUAL GENERAL MEETING

(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 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

“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 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 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



NOTICE OF 53RD ANNUAL GENERAL MEETING

- (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 Resolution.”

By Order of the Board

Gan Chi Siew
Company Secretary

Singapore

12 October 2023

Explanatory Notes:

Ordinary Resolution 2 – Subject to his re-election, Mr Loh Kgai Mun, an executive director, will continue to serve as a member of the Board. Please refer to the “Additional Information on Directors Seeking Re-election” section in the Annual Report for more information.

Ordinary Resolution 5 – If passed, will empower the directors of the Company, from this AGM until the date of the next AGM, to issue Shares and Instruments in the Company up to a number not exceeding 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 20% for issues other than on a pro rata basis to shareholders of the Company.

Ordinary Resolution 6 – If passed, will enable the Group, from this AGM until the date of the next AGM, to enter into certain recurring interested person transactions as described on page 92 of the Annual Report and will empower the directors to do all acts necessary to give effect to the IPT Mandate.

Ordinary Resolution 7 – 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 12 October 2023 (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.

Important Notes:

Printed copies of the notice of AGM and the accompanying Proxy Form will be sent by post to members. These documents, together with the Company’s 2023 Annual Report, will be published on the Company’s website at <http://www.lionasiapac.com/index.php/investors> and the Singapore Exchange’s website at <https://www.sgx.com/securities/company-announcements>.

A member may request for a printed copy of the 2023 Annual Report by completing and returning the request form by post or by email to main@zicoholdings.com.

NOTICE OF 53RD ANNUAL GENERAL MEETING

Submission of Questions in Advance:

Members (including CPF and SRS Investors) may submit questions relating to the business of the AGM in advance (i) at <http://www.lionasiapac.com/index.php/contact-lap> 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 23 October 2023.

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.

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/securities/company-announcements> and the Company's website at <http://www.lionasiapac.com/index.php/sgx-announcements> 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. Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

Submission of Proxy Forms to Vote:

Members (whether individual or corporate) appointing a proxy or proxies (including the Chairman) to attend, speak and vote at the AGM must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid. A 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 instrument appointing a proxy or proxies, 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, 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 post to the office of the Company's Share Registrar at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (c) by email to main@zicoholdings.com;

in each case, not less than 72 hours before the time appointed for holding the AGM, i.e. by 11.00 a.m. on 28 October 2023.

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 (including CPF Agent Banks and SRS Operators) to submit their voting instructions by 11.00 a.m. on 19 October 2023.

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.

NOTICE OF 53RD ANNUAL GENERAL MEETING

Personal Data Privacy:

By submitting an instrument appointing proxy(ies), and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and record of questions asked and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, takeover rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) represents and warrants that he/she/it has obtained the prior consent of the individuals appointed as proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such individuals by the Company (or its agents or service providers) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.



ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the additional information on Mr Loh Kgai Mun, whom is seeking for re-election as a director at the 53rd Annual General Meeting of the Company on 31 October 2023, is provided below for self-explanatory.

The information shall be read in conjunction with their respective biographies set out on pages 5 to 10.

	Loh Kgai Mun
Date of Appointment	8 August 2008
Date of last re-appointment (if applicable)	30 October 2020
Age	63
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>Mr Loh Kgai Mun has a wealth of management experience in multi-national organisations as well as listed companies. He has experience in financial, operational, and compliance matters.</p> <p>The Nominating Committee has recommended the re-election of Mr Loh as an executive director. The Board is of the view that Mr Loh has the relevant working experience to continue to contribute positively to the diversity of the Board and recommended his re-election.</p> <p>Mr Loh has abstained from the deliberation of the Board pertaining to his re-election.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive director
Professional qualifications & working experience and occupation(s) during the past 10 years	<p>Master of Business Administration, University of Edinburgh Business School</p> <p>Associate member of Institute of Chartered Accountants in England and Wales</p> <p>Executive director of Lion Asiapac Limited</p>
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
Conflict of interest (including any competing business)	None
Undertaking submitted to the Company in the form of Appendix 7.7 (Listing Rule 704(7))	Yes
Shareholding interest in the Company and its subsidiaries	None

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Loh Kgai Mun
Past (for the last 5 years) <u>Directorships</u>	<ul style="list-style-type: none"> • Mindax Limited* • Mindax Energy Pty Ltd • Yilgiron Pty Ltd • Yilgiron Infrastructure Pty Ltd
Present <u>Directorships</u>	<ul style="list-style-type: none"> • Associated Steel Industries (M) Sdn Bhd[#] • LAP Development Pte Ltd[#] • LAP Exploration Pte Ltd[#] • LAP Investment Pte Ltd[#] • LAP Trading & Marketing Pte Ltd[#] • Compact Energy Sdn Bhd[#] • LAP Energy Sdn Bhd[#] • Ternair Jaya Sdn Bhd[#] • Lion Asiapac Management Consultancy (Shanghai) Co., Ltd[#] • LAP Trading (Shanghai) Co Ltd[#] • LAP Marshall Pte Ltd[#] • Semangat Meriah Sdn Bhd[#] • Swissma Building Technologies Sdn Bhd[#] <p>[#] Subsidiary of Singapore public listed company [*] Public listed company</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
(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
(c) Whether there is any unsatisfied judgment against him?	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

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Loh Kgai Mun
(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
(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
(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
(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
(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
(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	No
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
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	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Loh Kgai Mun
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, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	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



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

IMPORTANT

1. Central Provident Fund Investment Scheme and Supplementary Retirement Scheme who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 11.00 a.m. on 19 October 2023.
2. 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.
3. Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 October 2023.

PROXY FORM
ANNUAL GENERAL MEETING

I/We _____ (Name), _____ (NRIC/Passport/Registration No.)
of _____ (Address),
being a member(s) of Lion Asiapac Limited (the “**Company**”), hereby appoint:

Name	NRIC/Passport No.	Address	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	NRIC/Passport No.	Address	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her, the Chairman of the AGM, as my/our proxy to attend, speak and vote on my/our behalf at the 53rd Annual General Meeting of the Company (the “**AGM**”) to be held at The Conference Room, 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957 on Tuesday, 31 October 2023 at 11.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (except where the Chairman is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof.

Resolutions		For*	Against*	Abstain*
Ordinary Business				
1.	Adoption of Directors’ Statement, Audited Financial Statements and Independent Auditor’s Report			
2.	Re-election of Mr Loh Kgai Mun as Director			
3.	Approval of Directors’ fees			
4.	Re-appointment of RSM Chio Lim LLP as Auditors and to authorise the Directors to fix their remuneration			
Special Business				
5.	Shares issue Mandate			
6.	Renewal of the Interested Person Transactions Mandate			
7.	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 a “J” 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 _____ 2023.

Shares in:	Total Number of Shares
1) CDP 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 2001 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 a proxy shall be deemed to relate to all the Shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's instrument of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument of proxy.

"**Relevant intermediary**" has the meaning ascribed in Section 181 of the Companies Act 1967 of Singapore (the "**Companies Act**").

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies 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 post to the office of the Company's Share Registrar at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (c) by email to main@zicoholdings.com;

in either case, by 11.00 a.m. on 28 October 2023 (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 a proxy or proxies must be signed by the appointor or duly authorised in writing by his attorney 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.
6. Where the instrument appointing a proxy or proxies 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.
7. 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 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.
8. Persons who hold Shares through 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 instruction by 11.00 a.m. on 19 October 2023.
9. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies 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.

AGM
Proxy Form

**AFFIX
POSTAGE
STAMP**

The Company Secretary
LION ASIAPAC LIMITED
10 Arumugam Road
#10-00 LTC Building A
Singapore 409957

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LION ASIAPAC LIMITED
(Co. Reg. No. 196800586R)

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

Tel: (65) 6632 0500

Website: www.lionasiapac.com