



LION ASIAPAC LIMITED

(Co. Reg. No. 196800586R)

(Incorporated in the Republic of Singapore)

Investment in a New Hydrated Lime Plant

Introduction

The Board of Directors of Lion Asiapac Limited (the "**Company**") wishes to announce that Compact Energy Sdn Bhd ("**Compact**"), a wholly-owned subsidiary of the Company, intends to expand its quicklime business by investing in a new hydrated lime plant to be built in Banting, Selangor, Malaysia (the "**Project**").

Information on Hydrated Lime

Hydrated lime is a down-stream product of quicklime, where the latter is being processed by mixing with water before being hydrated.

Hydrated lime is an essential additive in many products. It is added to potable water treatment plant for pH control, sugar refinery plant for bleaching purposes, and it helps to adjust the pH in the leaching circuit of non-ferrous metal processing. It is also used in air pollution abatement by removing the sulphur gas generated by the industrial and incineration plants, to name but a few.

Construction of the Hydrated Lime Plant

The construction of the hydrated lime plant with a production capacity of 6,000 metric ton per month is expected to complete within 8 months.

Cost and Funding of the Project

The total capital expenditure (the "**Investment**") for the Project is estimated at RM12 million (equivalent to approximately S\$3.8 million) and will be financed entirely by internal funds.

Rationale for the Project

Compact is presently engaged in the production of quicklime, hydrated lime and quicklime powder. The investment aims to expand the existing production capacity of hydrated lime, amid the shortage of the hydrated lime supply in the market.

While the other hydrated lime producers are located in the Northern and Eastern Peninsular Malaysia, Compact's location in the Klang Valley provides an advantage, as it is in close proximity to customers located in the area.

Financial Effects

The Investment is not expected to have any material financial impact on the Group's net tangible assets per share or earnings per share for this financial year ending 30 June 2022.

BY ORDER OF THE BOARD
LION ASIAPAC LIMITED

Gan Chi Siew
Company Secretary

Singapore, 22 June 2022