

Pasture[®]
Holdings

EVOLVING HEALTHCARE FOR TOMORROW

ANNUAL REPORT 2024



MISSION

From our big-picture strategy to our daily operations, our mission is to:

- Provide creative solutions to health challenges by harnessing science, technology, and meaningful relationships.
- Improve quality of life for the community through holistic solutions.
- Build healthier, more resilient communities around the world.

OUR VISION

Merging empathy with science: solutions for life.

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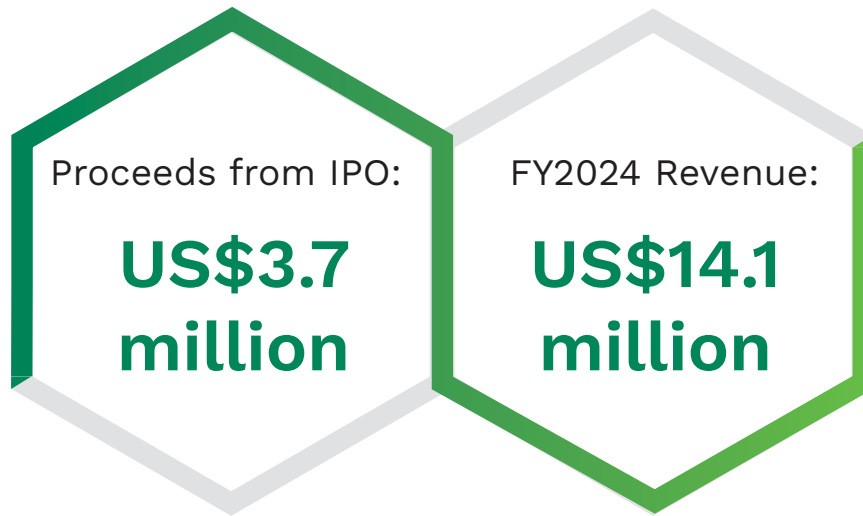
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This annual report has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the sponsor is Mr Shervyn Essex 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

CORPORATE PROFILE



Pasture Holdings Ltd. redefines what it means to be a pharmaceutical and medical supply company, leading with a people-first approach grounded in agility, care, and a commitment to community.

Since the Group's founding in 1996, Pasture has grown steadily, expanding from Singapore into over 50 countries. While our reach is now global, we stay grounded in our values, putting people and their health first. We focus on providing lean, effective solutions that meet the needs of our partners, from distributors and governments, to institutional customers such as hospitals, pharmacies, and healthcare providers.

In contrast to the traditional pharmaceutical model, we remain adaptable, constantly exploring new ways to improve healthcare access and meet the needs of evolving markets. This includes ventures into B2C segments such as the pet pharmaceuticals market.

Our three main entities: Pasture Pharma Pte Ltd ("**Pasture Pharma**"), Pacific Biosciences Pte Ltd ("**Pacific Biosciences**"), and Pasture PharmaHub Pte Ltd ("**Pasture PharmaHub**") – work together to offer a comprehensive range of products and services. From our innovative Hart-S ODS oral disintegrating strips to our pet health app and community, furlife, we are constantly driven by the desire to improve lives – be it human or pet.



OUR BRANDS

Core Business: Our Strong Foundation

At Pasture, our foundation lies in delivering essential healthcare solutions. With decades of experience, our core business in Masks, Medical Supplies, and Pharmaceutical Wholesale & Drop-Shipment has established us as a trusted partner in global healthcare, ensuring quality and reliability for our clients.



Masks

We are deeply proud of our Pasture Masks™, a proprietary range developed to meet the highest standards of safety and reliability. Created in collaboration with contract manufacturers, our masks are trusted by healthcare workers, governments, and organisations worldwide. From surgical masks, N95 respirators, surgical N95 respirators and N95 respirators for general public use, each product is the result of rigorous research and development. To date, we have supplied over 100 million masks globally, ensuring protection remains a priority for all.

We have 14 U.S. Food and Drug Administration (“FDA”) clearances and 20 certifications from The National Institute for Occupational Safety and Health (“NIOSH”) for our Pasture Masks™.

Medical Supplies

Pasture+, our medical supplies range under Pasture Pharma, provides solutions designed to meet the evolving needs of healthcare providers and their patients. With a comprehensive range spanning airway management, diagnostics, disinfectants, feeding and drainage, IV therapy

and vascular access, incontinence care, personal protective equipment, surgical equipment, wound care, urology, drainage, and more; we offer critical supplies that make a difference in everyday healthcare settings.

Our commitment to delivering top-tier healthcare solutions has led to strategic collaborations, broadening our product portfolio. We are passionate about empowering healthcare professionals with the tools they need to improve outcomes across a broad spectrum of specialties.



Pharmaceutical Wholesale & Drop-Shipment

Our Pharmaceutical Wholesale & Drop-Shipment service ensures that medicines, including temperature-sensitive products like vaccines and oncology treatments, reach their destinations safely and on time. We support businesses and healthcare providers with a strong focus on cold-chain management to maintain product integrity throughout the supply process.

With our experienced pharmacists and robust supply chain, we offer tailored back-end solutions for international ePharmacy businesses – from procurement to transshipment. In addition to our human health products, we are also supporting the growing demand for pet-related pharmaceuticals¹, responding to the need for healthcare solutions for every member of the family.

Our distribution pharmacy is covered under a Good Distribution Practice (GDP) management system for Pharmaceutical Products and is certified with Good Distribution Practice for Medical Devices (GDPMDs) as well.

¹<https://www.bloomberg.com/company/press/global-pet-industry-to-grow-to-500-billion-by-2030-bloomberg-intelligence-finds/>

Innovative Growth: Driving the Future

As we evolve, Pasture is expanding into new, innovative areas that align with market trends and our values. Products such as Hart-S ODS and furlife reflect our commitment to pushing boundaries and creating accessible healthcare solutions for both people and pets.



Oral Disintegrating Strips (ODS)

Innovation is at the heart of the Company. Our ODS range represents our commitment to improving everyday health by making medicinal administration easier. Our first projected launch in the ODS range, Hart-S, is developed for Sildenafil, a drug primarily used for treating erectile dysfunction. Our delivery system provides a discreet, effective, and user-friendly alternative for patients.

By transforming how medication is delivered, we have embraced our mission to create meaningful, patient-centric solutions that fit seamlessly into daily life. Manufactured with care, our oral disintegrating strips are more than just products – they are a step forward in healthcare innovation.

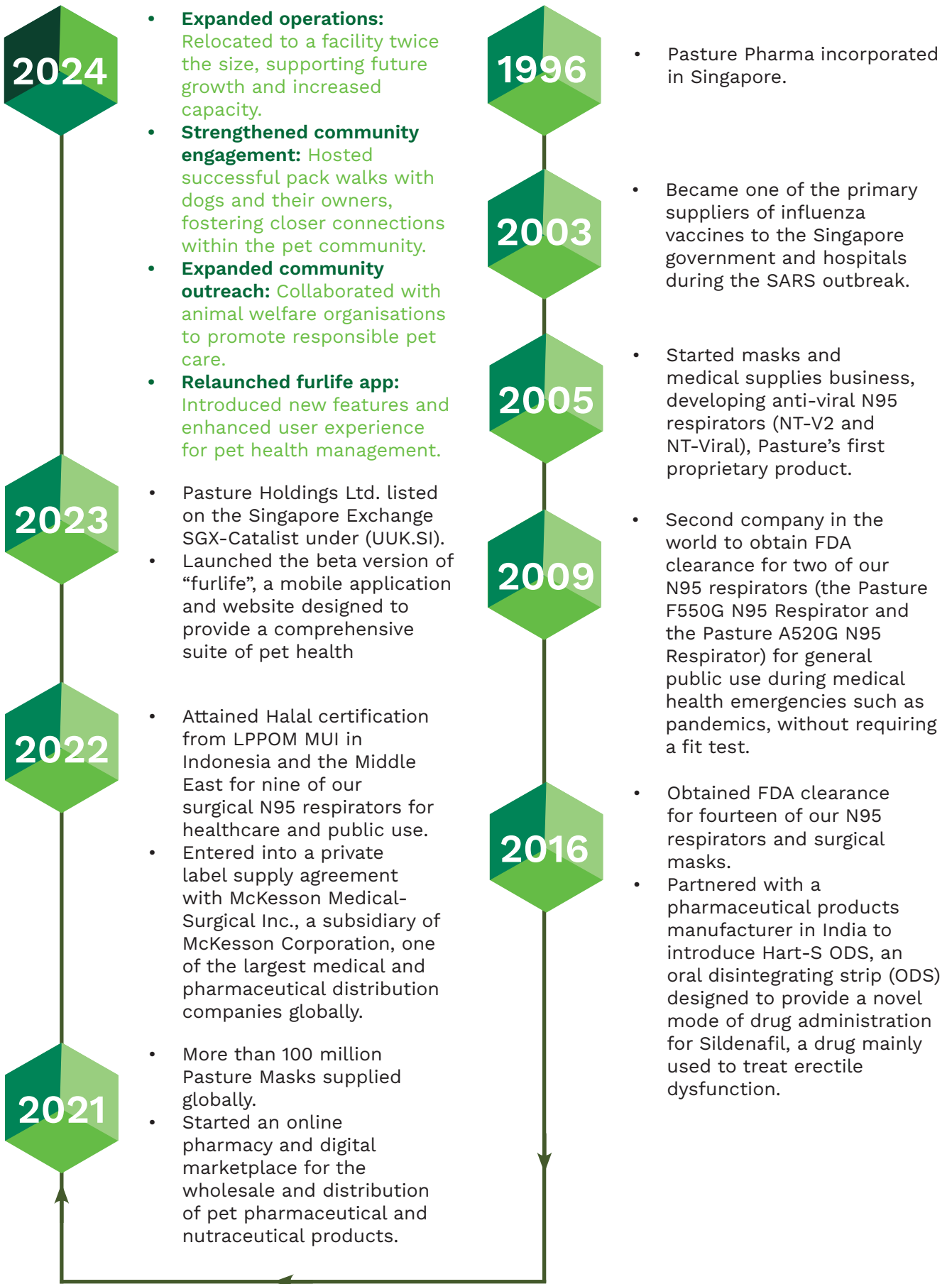


furlife

Health does not stop at the human family – it extends to our pets too. furlife is more than an app; it is part of a comprehensive ecosystem designed to give pet owners peace of mind. Relaunched this year, it integrates healthcare and community in one accessible place, an access point to a range of services we plan to develop.

From veterinary care to training tips, furlife embodies our belief that pets deserve the same attention to healthcare as any other family member. By leveraging our expertise in the pet pharmaceuticals space, we are proud to offer this platform as part of our ongoing mission to promote wellness for all.

KEY MILESTONES



CHAIRMAN'S STATEMENT



“

Healthcare is a fundamental human right, and as a company, we have always believed in making quality healthcare accessible to all

”

Dear Shareholders,

It is my pleasure to present Pasture Holdings Ltd's (the “**Company**”) second annual report as a publicly listed company on the SGX-Catalist board. The report sets out the performance of Pasture Holdings Ltd and its subsidiaries (the “**Group**” or “**Pasture**”) for the 12 months ended 30 June 2024 (“**FY2024**”). This year marks a pivotal milestone as we have achieved significant progress toward our long-term goals, transitioning from a net loss to a profitable year.

Performance Summary

The global economic environment in FY2024 showed signs of recovery, bolstered by stronger exports from Asia. In this context, Pasture experienced robust demand across both the pharmaceutical wholesale and drop-shipment (“**Pharmaceuticals**”) and mask and medical supplies segments. I am pleased to announce that Pasture has achieved a major turnaround, recording a profit after tax of US\$0.6 million – an increase of US\$1.9 million from FY2023's loss after tax of US\$1.3 million. The Group's expanded global customer base and enhanced operational efficiency were instrumental in our successful jump in revenue, leading to a gross profit recorded at over two-fold year-on-year. More details on our financial performance are available in the ‘Financial Highlights’ section of this report.

Strengthening Capabilities And Efficiency

As the healthcare industry evolves to meet growing global demands, adapt to rapid technological advancements, and respond to the rising expectations of consumers, Pasture remains dedicated to ensuring the uninterrupted flow of critical medical supplies. Our mission is to make quality healthcare more accessible – both for people and pets.

Building on the expansion efforts initiated in FY2023, we relocated to a new office and cold chain warehouse in April 2024. This move was critical for supporting our long-term growth strategy. With a combined floor area of approximately 13,800 square feet – double the size of our previous premises – this new facility positions us to handle increasing volumes, streamline operations, and enhance overall efficiency.

As the new office and cold chain warehouse are adjacent to each other, this proximity offers greater control over quality, improves communication, and enables faster decision-making. This is particularly important given the sensitive nature of the products we manage. We are actively working to secure additional distribution contracts, improve our inventory management systems, and further expand our proprietary product lines, including Pasture Masks™ and other a range of medical supplies and devices under our own brand.

CHAIRMAN'S STATEMENT

Future Growth Opportunities

While inflationary pressures, high interest rates, and geopolitical tensions pose challenges to the global economic outlook, Pasture remains resilient and well-positioned to capitalise on favourable trends within the healthcare industry. Trends such as an ageing global population and increasing demand for healthcare solutions, bolster our optimism about the potential growth in new businesses that complement the Group's core offerings.

Singapore remains a leading biomedical hub, driven by global demand for pharmaceuticals, amid an ageing population and rising chronic disease rates. Major pharmaceutical companies have announced investments in Singapore-based production, particularly in oncology and other drugs, to meet the needs of Asia's rapidly growing elderly population and the demand for cancer treatments arising from it. The over-60 population in the Asia Pacific is projected to increase from 13.6% in 2020 to 25% by 2050¹, creating opportunities for the Group to provide relevant solutions.

The aging population has also led to increased healthcare infrastructure spending. According to the Organization for Economic Co-operation and Development ("OECD"), public health spending growth at 2.6% is expected to surpass government revenue growth at 1.3% across OECD countries. Combining this trend with investments in healthcare systems, could push health spending to 11.8% of GDP by 2040².

In relation, the prominent trend observed within the pharmaceutical industry is the growing need for cold storage in medicinal distribution. In 2022, approximately 35% of the pharmaceutical market comprised cold chain medicines, an increase from 26% in 2017. It is anticipated that this trend would continue, with nearly 50% of new medicines expected to require cold storage and distribution over the next five years³.

Our continued expansion in the pet healthcare market aligns with the growing trend of pets being treated as family members. Over the past two years, we have been steadily building our portfolio to cater to this evolving market, starting with solutions for canines and felines.

We are also exploring partnerships with veterinary services and welfare organisations to further strengthen our presence in this growing sector, and build a comprehensive ecosystem for pet owners. Over the past 12 months, we released newsletters and in-app posts supported by Animal & Veterinary Service (AVS) to promote responsible pet ownership and care.

Pasture's sustained efforts to strengthen our market position have been key to maintaining our recovery momentum. In FY2024, we saw a significant increase in new customer acquisitions and deeper engagement with our existing accounts in the Pharmaceuticals segment. As we move forward, we remain committed to fostering long-lasting relationships with these customers and pursuing new opportunities across all business segments to generate greater value for our stakeholders.

Appreciation and acknowledgement

In closing, I extend my heartfelt thanks to our employees, customers, shareholders, and partners for your unwavering support and trust. As we continue our journey of growth and transformation, I look forward to working together to further strengthen Pasture's position as a leader in both human and pet healthcare. We are just at the beginning of our journey, and the future holds immense potential for Pasture Holdings Ltd.

LLOYD SOONG

Chairman, Executive Director & CEO



¹ <https://asia.nikkei.com/Business/Pharmaceuticals/Singapore-gets-Big-Pharma-rush-to-invest-in-plants-for-aging-region#:~:text=The%20aging%20of%20the%20population>

² <https://www.oecd.org/en/topics/policy-issues/health-spending-and-financial-sustainability.html>

³ <https://www.maersk.com/news/articles/2024/04/11/pharmaceutical-cold-chain-needs>

FINANCIAL HIGHLIGHTS

RECOVERY AND STRATEGIC POSITIONING

The Group made significant strides towards our long-term goals in FY2024, achieving a turnaround from a net loss in FY2023 to a profitable year. Key developments during the year included:

- **Relocation:** In April, we moved to a new office and cold chain warehouse, doubling our space to approximately 13,800 square feet, which supports our long-term growth strategy.
- **Operational Efficiency:** The transition to the new facility has enhanced our overall efficiency, enabling us to scale operations and improve quality control, communications and decision making.
- **Customer Growth:** We experienced substantial growth in new customer acquisitions and strengthened relationships with existing customers, positively impacting our top line.

FINANCIAL PERFORMANCE

The Group capitalised on robust demand across the pharmaceutical wholesale, drop-shipment, and mask and medical supplies segments. This, coupled with an expanded global customer base and enhanced operational efficiency, allowed us to reverse our net loss after tax of US\$1.3 million in the previous financial year to a net profit after tax of US\$0.6 million in FY2024.

Revenue from our Pharmaceuticals segment grew 43.7% compared to FY2023, reaching US\$13.9 million in FY2024, driven by new customer acquisitions and deeper engagement with existing accounts. The mask and medical supplies segment also recovered, with revenue increasing from approximately US\$45,000 to US\$154,000.

Geographically, Japan remained our largest revenue contributor, followed by Canada and Hong Kong, both of which saw significant sales increases in FY2024.

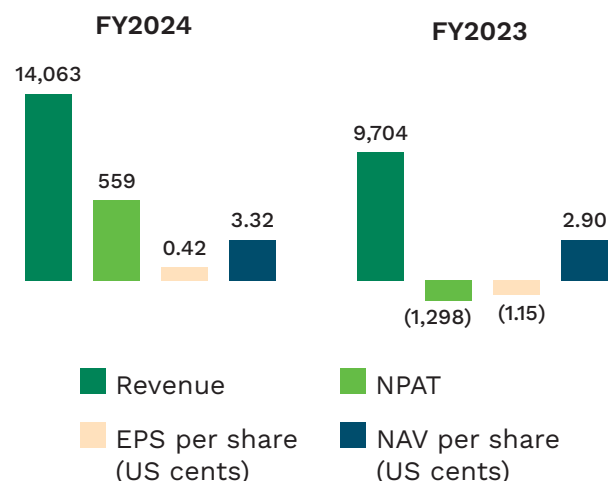
Gross profit rose to US\$3.5 million (FY2023: US\$1.7 million), with a gross profit margin improvement to 24.6% (FY2023: 17.8%). This improvement is primarily attributed to higher revenue and operational efficiencies.

Other losses decreased to US\$0.1 million in FY2024, down from US\$0.2 million in FY2023, due to the absence of impairments on trade receivables.

As of 30 June 2024, non-current assets increased from US\$0.4 million to US\$2.2 million, driven by a rise in (i) property, plant and equipment, which now stands at US\$1.6 million, including right-of-use assets of US\$1.4 million, and (ii) other financial assets to US\$0.5 million.

Inventories rose to US\$3.9 million (30 June 2023: US\$2.0 million), and trade and other receivables increased to US\$1.1 million (30 June 2023: US\$0.3 million), reflecting improved business activities.

Total non-current liabilities increased to US\$1.7 million compared to US\$54,000 in the previous year, primarily due to the new non-current bank loan of US\$0.5 million (30 June 2023: US\$ NIL) and non-current lease liabilities of US\$1.1 million (30 June 2023: US\$54,000) for the new office and cold chain warehouse located at 2 Corporation Road.



FINANCIAL HIGHLIGHTS

Total current liabilities rose materially to US\$6.5 million (30 June 2023: US\$3.8 million), primarily due to:

- (i) Increased non-financial liabilities and trade and other payables rising to US\$5.3 million (30 June 2023: US\$3.2 million) and US\$0.7 million (30 June 2023: US\$0.4 million), driven by advances from customers;
- (ii) Current loans and borrowings, relating to the bank loan of US\$0.2 million (30 June 2023: US\$ NIL);
- (iii) Current lease liabilities increased to US\$0.2 million (30 June 2023: US\$0.1 million), related to the long-term lease of our new facility.

Pasture's cash flow position strengthened from US\$4.2 million as at 30 June 2023 to US\$4.6 million as at 30 June 2024, mainly due to the profit of US\$0.6 million and better management of the Group's working capital.

CONCLUSION

The near to mid-term outlook for the healthcare industry is positive, driven by trends such as an ageing global population, increasing demand for healthcare solutions and medical supplies, and a growing need for cold storage in medicinal distribution.

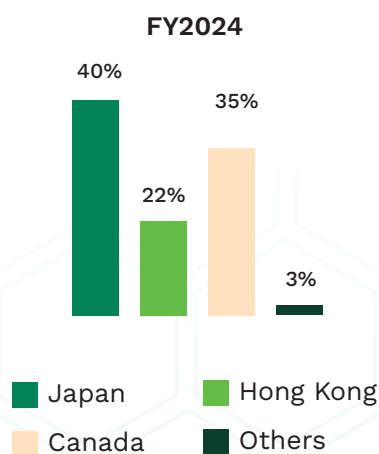
In the pet healthcare sector, our strategy to build up our portfolio aligns with the trend of pet owners prioritising their pets' health and well-being.

We believe these factors position the Group well to seize growth opportunities in new markets while strengthening Pasture's status as a leader in both human and pet healthcare.

INVESTOR RELATIONS

Pasture is committed to maintaining open communication with our shareholders and stakeholders through our corporate website and dedicated investor relations team. We encourage engagement and welcome inquiries at contact@pasturegroup.com.

GEOGRAPHICAL INFORMATION





HEALTHY LIVING
**UNDER ONE
ROOF**

BOARD OF DIRECTORS



MR. SOONG CHIN KUM JONATHAN LLOYD
Executive Chairman and Chief Executive Officer of Pasture Holdings



MR. PRASHANTH PALEPU
Non-Executive and Non-Independent Director



MR. LIM JIT SOON
Non-Executive and Lead Independent Director



MS. LOW SU-SHING
Non-Executive and Independent Director



MS. TEO KWEE YEE
Non-Executive and Independent Director

BOARD OF DIRECTORS

MR. SOONG CHIN KUM JONATHAN LLOYD

Executive Chairman and Chief Executive Officer of Pasture Holdings

Appointed to our Board on 3 November 2017

Mr. Soong founded the Company in 1996, recognizing the unmet need for a distribution company that focused on specialty medications and medical devices. With more than 39 years of experience in the pharmaceutical and medical supplies industries, he oversees the Company's business operations and overall performance. Mr. Soong holds a Master of Business Administration in Strategic Marketing from the University of Hull, England, and has training in Immunology and Organ Transplantation from the University of Texas Medical School at Houston. His personal interests lie in the research and development of innovative healthcare solutions that enhance quality of life.

MR. PRASHANTH PALEPU

Non-Executive and Non-Independent Director

Appointed to our Board on 3 November 2017

Mr. Palepu is the Chief Operating Officer at Palepu Pharma Distributors, where he leads key supply chain functions and strategic initiatives. He brings a wealth of experience in logistics and supply chain management, holding a Bachelor of Commerce from Loyola College, Chennai, and a Master of Science in Supply Chain and Logistics Management from the University of Warwick, UK. Mr. Palepu is also pursuing an Executive MBA (EMBA) at the University of Chicago Booth School of Business and is a member of the Entrepreneurs Organisation (EO) in India, a global platform for entrepreneurs.

MR. LIM JIT SOON

Non-Executive and Lead Independent Director

Appointed to our Board on 29 March 2023

Mr. Lim is an independent financial advisor, having retired as the Chief Financial Officer of Fuelcore Pte. Ltd. in January 2024. With over 30 years of experience in corporate finance, restructuring, and tax planning, he brings significant expertise in navigating financial challenges and driving strategic initiatives. Mr. Lim is a Chartered Accountant, completing his professional qualifications with the Institute of Chartered Accountants in England and Wales.

MS. LOW SU-SHING

Non-Executive and Independent Director

Appointed to our Board on 29 March 2023

Ms. Low is a biochemist and entrepreneur with extensive experience in the biotechnology and life sciences sectors. She worked on animal vaccines at NUS research laboratories and subsequently founded and led StemLife Berhad, a stem cell service company, through its regional expansion, public listing, and eventual strategic sale. Ms. Low holds a Bachelor of Science with honors in Biochemistry, Molecular Biology & Biotechnology from the University of Bristol, UK, and currently serves as a non-executive director of KRZ Limited (HK).

MS. TEO KWEE YEE

Non-Executive and Independent Director

Appointed to our Board on 29 March 2023

Ms. Teo is currently the head of the corporate and financial services practice group in Harry Elias Partnership LLP ("HEP"). She has over 30 years of experience in advising on landmark transactions in corporate finance, including initial public offerings on the SGX-ST, placements and rights issues, privatisations, compliance and corporate governance issues. Ms. Teo is also a non-executive director and a member of the investment committee and the governance and risk committee of Ren Ci Hospital, a Singapore charity healthcare institution. She is also a member of the investment committee of Singapore Hokkien Huay Kuan and an independent director of The Hokkien Foundation.

Ms. Teo completed her Bachelor of Laws (Hons) at the University of Manchester. She is dually qualified as a barrister and a solicitor of England and Wales and is admitted to the Rolls of Solicitors of Hong Kong and to the Singapore Bar.

EXECUTIVE TEAM



MR. TAN XI YI
Head of Business Development

Mr. Tan oversees corporate strategy, market development, and project management, ensuring operational efficiency and sustainable growth. With over 17 years of experience spanning clinical pharmacy and business strategy in the public and private sectors, Mr. Tan has successfully led new business setups and digital transformation initiatives. He holds a Bachelor of Pharmacy (Honours) and is a registered pharmacist with the Pharmacy Board Malaysia.



MR. LEE QUANG LOONG
Group Financial Controller

Mr. Lee is responsible for the Group's financial management, corporate governance frameworks, and risk management functions. With over 20 years of senior leadership experience, and as CFO in both Main Board and Catalyst companies, Mr. Lee has a proven track record in corporate finance, financial reporting, tax, and audit across the Asia Pacific Region. Mr Lee obtained his professional accountancy qualification from the Association of Chartered Certified Accountants (ACCA) and is currently a member of the Institute of Singapore Chartered Accountants (ISCA).



MS. HO HUEY-YI
Chief Pharmacist

Ms. Ho manages the Group's pharmaceutical regulatory affairs, including the supervision of controlled drugs and quality management systems. Ms. Ho has over 19 years of experience in the pharmaceutical industry; she plays a crucial role in ensuring compliance and operational excellence. She holds a Bachelor of Science (Pharmacy) from the National University of Singapore, and is certified as a registered pharmacist by the Singapore Pharmacy Board.



MS. CLAIRE SOONG JIA LI
Alternate Director to Lloyd Soong and Digital Marketing Manager

Ms. Soong leads the Group's digital marketing, overseeing furlife mobile application and community engagement projects, and assists with the Group's corporate communications and PR. She has 8 years of experience in marketing, branding, and content strategy, having worked with leading organisations such as Google APAC. She has also written for and provided creative consultation for editorial publications and local businesses. Ms. Soong volunteers at HCA Hospice Care, working with the organisation to support end-of-life patients and their families. Ms. Soong completed her Bachelor of Commerce from McGill University with a Major in Marketing and Concentration in Organisational Behaviour.

CORPORATE INFORMATION

Pasture Holdings Ltd (“**Pasture**” or the “**Company**” or the “**Group**”) (Registration No. 201731601W) was incorporated in Singapore on 3 November 2017 under the Companies Act as a private limited company, under the name of “**Pasture Holdings Pte. Ltd.**” On 28 March 2023, the Company was converted into a public limited company and changed its name to “**Pasture Holdings Ltd.**” and was listed on the Catalist Board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited as Pasture Holdings Ltd. (SGX: UUK.SI) on 9 June 2023.

The principal activities of the Company and its subsidiaries are as follows:

- (a) Wholesale of medicinal and pharmaceutical products (western);
- (b) Wholesale of medical, professional, scientific and precision equipment; and
- (c) Veterinary activities.

BOARD OF DIRECTORS

Soong Chin Kum Jonathan Lloyd
(Executive Chairman and Chief Executive Officer)

Claire Soong Jia Li
(Alternate Director to Soong Chin Kum Jonathan Lloyd)

Prashanth Palepu
(Non-Executive and Non-Independent Director)

Lim Jit Soon
(Non-Executive and Lead Independent Director)

Teo Kwee Yee
(Non-Executive and Independent Director)

Low Su-Shing
(Non-Executive and Independent Director)

AUDIT COMMITTEE

Lim Jit Soon
Chairman

Teo Kwee Yee
Member

Low Su-Shing
Member

NOMINATING COMMITTEE

Teo Kwee Yee
Chairman

Lim Jit Soon
Member

Soong Chin Kum Jonathan Lloyd
Member

REMUNERATION COMMITTEE

Low Su-Shing
Chairman

Lim Jit Soon
Member

Prashanth Palepu
Member

COMPANY SECRETARY

Peck Jen Jen

REGISTERED OFFICE

2 Corporation Rd, #03-04/05, Corporation Place,
Singapore 618494

Tel: (65) 6515 6516

Website: <https://pasturegroup.com>

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services

(A division of Tricor Singapore Pte Ltd)

80 Robinson Road #02-00

Singapore 068898

Tel: (65) 6236 3333

EXTERNAL AUDITOR

RSM SG Assurance LLP

8 Wilkie Road #03-08 Wilkie Edge

Singapore 228095

Partner-in-charge: Uthaya Chandrikaa
D/O Ponnusamy

(Appointed with effect from the financial year ended 30 June 2024)

INTERNAL AUDITOR

HLS Risk Advisory Services Pte Ltd

331 North Bridge Road #12-03 Odeon Towers

Singapore 188720

Tel: (65) 6423 9969

PRINCIPAL BANKERS

Standard Chartered Bank (Singapore) Ltd

United Overseas Bank Limited

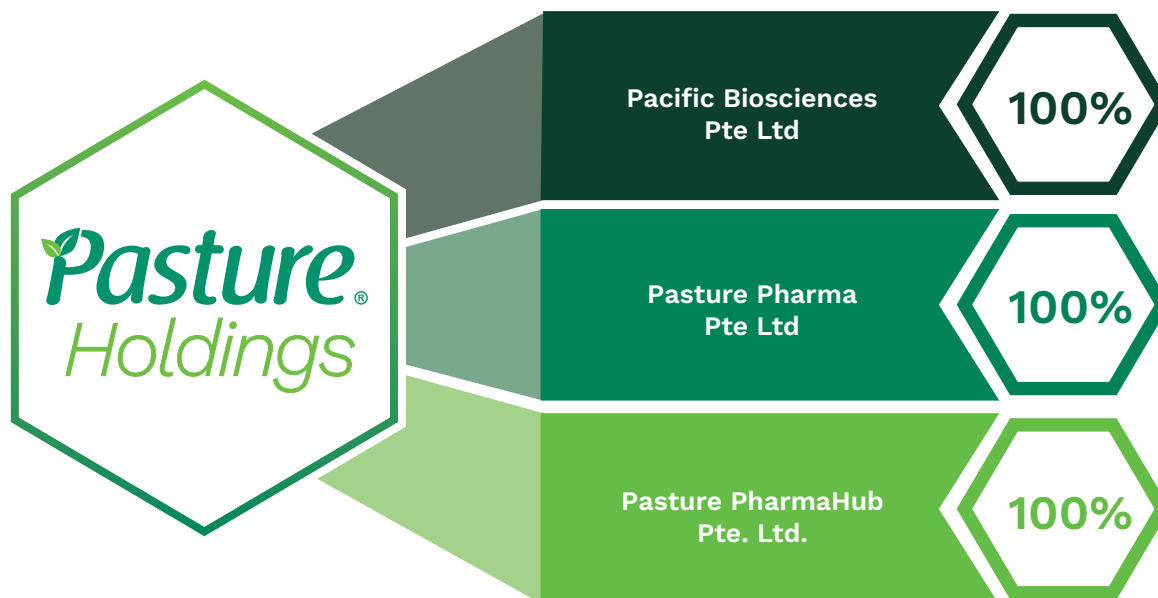
SPONSOR

PrimePartners Corporate Finance Pte. Ltd.

16 Collyer Quay, #10-00 Collyer Quay Centre,
Singapore 049318

Tel: (65) 6229 8088

GROUP STRUCTURE



CERTIFICATIONS AND ACCREDITATIONS

Our Group has received multiple international standard certifications and accreditations from various industry authorities in respect of the quality of our processes and products, which are set out below.

Certification and Accreditation	Issued to	Issuing Organisation	Description	Date/Term
Halal Certificate (Halal Decree No. LPPOM-00170140320122)	Pasture Pharma	The Indonesian Council of Ulama (LPPOM-MUI)	Certification that the following products are declared Halal according to Islamic Law: (a) Pasture PM 10 Surgical N95 Respirator; (b) Pasture PM 15 Surgical N95 Respirator; (c) Pasture PM 15s Surgical N95 Respirator; (d) Pasture PM 16 N95 Respirator; (e) Pasture PM 16s N95 Respirator; (f) Pasture PM 17 N95 Respirator; (g) Pasture PM 18 N95 Respirator; (h) Pasture PM 30 N95 Respirator; and (i) Pasture PM V30 N95 Respirator.	26 January 2022 to 25 January 2026

CERTIFICATIONS AND ACCREDITATIONS

Certification and Accreditation	Issued to	Issuing Organisation	Description	Date/Term
Halal Certificate (Halal Decree No. UAE-00170140270122)	Pasture Pharma	The Indonesian Council of Ulama (LPPOM-MUI)	Certification that the following products are declared Halal according to Islamic Law: (a) Pasture PM 10 Surgical N95 Respirator; (b) Pasture PM 15 Surgical N95 Respirator; (c) Pasture PM 15s Surgical N95 Respirator; (d) Pasture PM 16 N95 Respirator; (e) Pasture PM 16s N95 Respirator; (f) Pasture PM 17 N95 Respirator; (g) Pasture PM 18 N95 Respirator; (h) Pasture PM 30 N95 Respirator; and (i) Pasture PM V30 N95 Respirator.	26 January 2022 to 25 January 2025
Halal Assurance System Status (No. HS1A25870/012022/PAS)	Pasture Pharma	The Assessment Institute for Foods, Drugs and Cosmetics – The Indonesian Council of Ulama (LPPOM-MUI)	Implementation of the Halal assurance system in respect of No. 1 Zhonger Street, Guang Gu Industrial Park Chibi High-Tech Zone, Hubei, P.R. China	26 January 2022 to 25 January 2026
Halal Assurance System Status (No. HS1A25869/012022/PAS)	Pasture Pharma	The Assessment Institute for Foods, Drugs and Cosmetics – The Indonesian Council of Ulama (LPPOM-MUI)	Implementation of the Halal assurance system in respect of ZhuFo Ling Industrial Area, Tang Xia, Dong Guan City, Guang Dong, China	26 January 2022 to 25 January 2026
Section 510(k) Pre-Market Notification (No. K020474)	Pasture Pharma	Department of Health & Human Services (Food and Drug Administration)	Approval of Pasture PM10 N95 Respirator, PM15 N95 Respirator and Pasture PM15s N95 Respirator for commercial distribution in the United States	23 July 2002 ⁽¹⁾
Section 510(k) Pre-Market Notification (No. K083176)	Pasture Pharma	Department of Health & Human Services (Food and Drug Administration)	Approval of <i>Pasture A520G N95 Respirator</i> and <i>Pasture F550G N95 Respirator</i> for commercial distribution in the United States	23 January 2009 ⁽¹⁾

CERTIFICATIONS AND ACCREDITATIONS

Certification and Accreditation	Issued to	Issuing Organisation	Description	Date/Term
Section 510(k) Pre-Market Notification (No. K141875)	Pasture Pharma	Department of Health & Human Services (Food and Drug Administration)	Approval of <i>Pasture 60S Surgical Mask</i> for commercial distribution in the United States	5 May 2015 ⁽¹⁾
Section 510(k) Pre-Market Notification (No. K141876)	Pasture Pharma	Department of Health & Human Services (Food and Drug Administration)	Approval of <i>Pasture 550S Surgical N95 Respirator, Pasture 550CS Surgical N95 Respirator, Pasture A520S Surgical N95 Respirator, Pasture A520CS Surgical N95 Respirator, Pasture 520S Surgical N95 Respirator and Pasture E520CS Surgical N95 Respirator</i> for commercial distribution in the United States	28 October 2015 ⁽¹⁾
Section 510(k) Pre-Market Notification (No. K152197)	Pasture Pharma	Department of Health & Human Services (Food and Drug Administration)	Approval of <i>Pasture Surgical 3 Ply Medimask</i> for commercial distribution in the United States	26 August 2016 ⁽¹⁾
SS 620:2016 (2021) Good Distribution Practice for Medical Devices (Certificate No. 741315)	Pasture Pharma	Guardian Independent Certification Pte Ltd	Certification that Pasture Pharma has been audited and conforms to the requirements of the <i>Good Distribution Practice for Medical Devices</i> for the import, storage and distribution of active implantable devices, anaesthetic and respiratory devices, dental devices, electro mechanical medical devices, assistive products for persons with disability, non-active implantable devices, ophthalmic and optical devices, reusable devices, single-use devices and in vitro diagnostic devices	26 October 2023 to 26 December 2026 ⁽²⁾

CERTIFICATIONS AND ACCREDITATIONS

Certification and Accreditation	Issued to	Issuing Organisation	Description	Date/Term
SS 620:2016 (2021) Good Distribution Practice for Medical Devices (Certificate No. 741315A)	Pacific Biosciences	Guardian Independent Certification Pte Ltd	Certification that Pacific Biosciences has been audited and conforms to the requirements of the <i>Good Distribution Practice for Medical Devices</i> for the import, storage and distribution of active implantable devices, anaesthetic and respiratory devices, dental devices, electro mechanical medical devices, assistive products for persons with disability, non-active implantable devices, ophthalmic and optical devices, reusable devices, single-use devices and in vitro diagnostic devices	26 October 2023 to 26 December 2026 ⁽²⁾
SS 620:2016 (2021) Good Distribution Practice for Medical Devices (Certificate No. 741315B)	Pasture PharmaHub	Guardian Independent Certification Pte Ltd	Certification that Pasture PharmaHub has been audited and conforms to the requirements of the <i>Good Distribution Practice for Medical Devices</i> for the import, storage and distribution of active implantable devices, anaesthetic and respiratory devices, dental devices, electro mechanical medical devices, assistive products for persons with disability, non-active implantable devices, ophthalmic and optical devices, reusable devices, single-use devices and in vitro diagnostic devices	26 October 2023 to 26 December 2026 ⁽²⁾

Notes:

- ⁽¹⁾ There is no term or expiry to the Section 510(k) Pre-Market Notifications. For devices which are classified as Class II devices under the U.S. Federal Food, Drug, and Cosmetic Act of 1938 (as amended, the “**FDCA**”), a pre-market notification under Section 510(k) of the FDCA is typically required to be submitted to the FDA, requesting permission to commercially distribute the device. Once the FDA clears the pre-market notification, the manufacturer may bring its product to market in the U.S. pursuant to the Section 510(k) Pre-Market Notification.
- ⁽²⁾ The SS 620:2016 Good Distribution Practice for Medical Devices will be renewed following completion of an audit to be conducted by an independent certification body, which will be submitted to the HSA thereafter. Subject to compliance with the results of such audits, the certification will be periodically extended and/or renewed.

CORPORATE GOVERNANCE REPORT

Pasture Holdings Ltd (the “**Company**” or “**Pasture**”) and its subsidiaries (the “**Group**”) are committed to maintaining a high standard of corporate governance within the Group. The Company believes that good corporate governance is essential for preserving the interests of all stakeholders and strengthening investors’ confidence in the Group thereby enhancing long-term shareholders’ value.

This report outlines the Company’s corporate governance practices that were in place for the financial year ended 30 June 2024 (“**FY2024**”) with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”), which forms part of the continuing obligations of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Catalist Rules**”). Pursuant to Rule 710 of the Catalist Rules, the Board confirms that the Company has complied with the principles as set out in the Code for FY2024. In respect of any deviation from provisions of the Code, appropriate disclosures and explanations are provided in this report in accordance with the requirements of the Catalist Rules.

BOARD MATTERS

Principle 1: The Board’s Conduct of its 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.

The business and affairs of the Group are managed under the direction of the Board which works with Management to achieve long-term sustainable and successful performance. Directors are obliged to objectively discharge their duties and responsibilities at all times in the best interest of the Company. The Board sets the tone from the top and has put in place a Code of Conduct and Ethics to guide all employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Apart from its statutory duties and responsibilities, the key functions of the Board are as follows:

- To provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- To review management performance;
- To establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding shareholders’ interests and the Group’s assets;
- To set the Group’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- To consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Matters requiring the Board’s decision and approval include:

- The Group’s strategic plans;
- Material investments, acquisitions and divestments of the Group;
- Major banking facilities and funding proposals;

CORPORATE GOVERNANCE REPORT

- Annual budgets and financial plans of the Group, including capital expenditure;
- Annual and half yearly financial reports;
- Share issuance and recommendation of payment of dividends;
- Risk management strategies and execution;
- Interested party transactions;
- Appointment of directors and executive officers, including review of their performance and remuneration packages;
- Appointment and removal of the company secretary; and
- Any other matters required to be considered or approved by the Board as required by legislation or regulations.

To assist the Board in executing its responsibilities, the Board is supported by the Audit Committee, Nominating Committee and Remuneration Committee. These Committees function within clear written terms of reference, which are reviewed on a regular basis, to ensure effectiveness of each Committee. Any changes to the terms of reference for any Board Committee require the approval of the Board.

The Executive Directors are appointed by way of service agreements while the non-executive directors are appointed by way of letters of appointment. The duties and responsibilities of directors are clearly set out in these service agreements and letters of appointments, respectively. The Company arranges orientation program as well as meetings with senior management to familiarise new directors with the Group's business activities and strategic priorities of the Group as well as roles and responsibilities of board members and governance matters. This ensures that directors understand the Company's business and their duties. For newly-appointed directors who do not have prior experience as a director of a public listed company in Singapore, they will attend mandatory training courses organised by the Singapore Institute of Directors ("SID") within one year from their appointment dates pursuant to Rule 406(3)(a) of the Catalist Rules. As at the date of this report, all directors of the Company has completed the mandatory training requirements, including the mandatory sustainability training, prescribed by Rule 406(3)(a) of the Catalist Rules. As and where appropriate, the Company will also fund trainings for directors to develop and maintain their skills and knowledge. Relevant courses include seminars conducted by the SID or other training institutes. The Company will also work closely with its professional advisors to provide its directors with updates on changes to relevant laws, regulations and accounting standards.

In FY2024, the directors have been provided with briefings and/or updates on (i) the developments in financial reporting standards by the external auditors; (ii) changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board and/or Board Committee meetings; and (iii) updates on the changes in Catalist Rules and the SGX-ST's guidance notes by the Company's sponsor.

Directors attend and actively participate in Board and Board Committee meetings. Formal Board meetings are held at least twice a year and ad-hoc meetings are convened when required. The Company's Constitution allows a Board meeting to be conducted through electronic means such as telephone and video conferences. All Board and Board Committees' meetings for FY2024 have been scheduled well in advance in consultation with the directors to ensure maximum attendance. Ad-hoc meetings will be convened where circumstances require as such.

CORPORATE GOVERNANCE REPORT

The number of meetings held by the Board and Board Committees and attendance thereat in FY2024 is disclosed below:

Name of Directors	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Number of meetings attended								
Soong Chin Kum Jonathan Lloyd	2	2	2 ⁽¹⁾	2 ⁽¹⁾	1	1	1 ⁽¹⁾	1 ⁽¹⁾
Claire Soong Jia Li (alternate director to Soong Chin Kum Jonathan Lloyd)	2	2	2 ⁽¹⁾	2 ⁽¹⁾	-	-	1 ⁽¹⁾	1 ⁽¹⁾
Prashanth Palepu	2	2	2 ⁽¹⁾	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1	1
Lim Jit Soon	2	2	2	2	1	1	1	1
Teo Kwee Yee	2	2	2	2	1	1	1 ⁽¹⁾	1 ⁽¹⁾
Low Su-Shing	2	2	2	2	1 ⁽¹⁾	1 ⁽¹⁾	1	1

(1) Attendance of Director (who is not a member) by invitation of the Board Committee.

Management provides directors with complete, adequate and timely information of all material events and transactions as and when they occur or prior to meetings to enable them to make informed decisions and discharge their duties and responsibilities. Requests for information from the Board are dealt with promptly by the Management.

Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the Company's expense.

Principle 2: Board Composition and Guidance

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

The Board currently comprises five* directors and the majority of whom are independent and non-executive directors.

* This does not include Ms Claire Soong Jia Li, the Alternate Director to Soong Chin Kum Jonathan Lloyd

The criteria for independence are defined in the Code and the independence of each of the directors is reviewed by the Nominating Committee. In accordance with the Code, the Board considers an "independent" director as one who is independent in conduct, character and judgement, and has no 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 independence of each director is reviewed annually and as and when circumstances require by the Nominating Committee based on the guidelines set forth in the Code and the Catalist Rules.

The Board has examined its size to determine the impact of the number upon effectiveness, and is of the view that the current Board size of five directors is appropriate and facilitates effective decision-making, after taking into account the scope and nature of the operations of the Group.

CORPORATE GOVERNANCE REPORT

In addition, in line with the Board's diversity policy, the Nominating Committee reviews the Board composition annually to ensure that the Board comprises directors who as a group provide an appropriate balance and mix of skills, knowledge and experience and gender diversity so as to avoid groupthink and foster constructive debate so that the Group can benefit from their collective expertise.

Details of the Board composition at the day of this report are as follows:

Board Independence and Length of Service

	Independent Directors	Non-Independent Directors
Served more than 3 years and up to 9 years	-	2
Served less than 3 years	3	-

Gender Diversity

Male	3	60%
Female	2	40%

Directors' Age Group

Below 45	1
45 to 55; and	1
55 and above	3

Directors' Educational Background

Legal	1
Finance	1
Science	1
Business	2

Directors' Area of Expertise

The Board comprises Directors who have skills and domain knowledge across corporate finance, legal, operational management, mergers and acquisitions, health research and life sciences.

In terms of experience, the Directors collectively have experience in general business management, have served on public listed company boards and have vast international geographic experience.

The NC and Board have determined and are satisfied that the current Board has an appropriate balance of diversity in terms of knowledge, skills, age and experience to facilitate effective decision-making to meet the Group's operational and business needs and enables Management to benefit from a diverse and objective external perspective on issues raised before the Board. Each Director has been appointed on the strength of his calibre, experience and ability to contribute to the Group and its business.

Independent directors, led by the Lead Independent Director, meet regularly without the presence of Management. The Lead Independent Director serves as chairman of such meetings and provides feedback to the Chairman accordingly.

CORPORATE GOVERNANCE REPORT

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.

Mr Soong Chin Kum Jonathan Lloyd is both the Chairman and Chief Executive Officer (“CEO”) of the Company. The Board believes that there is no need for the role of Chairman and the CEO to be separated as there is a good balance of power with majority of the Board comprising independent directors and all Board Committees are chaired by independent directors.

As Chairman of the Board, Mr Soong Chin Kum Jonathan Lloyd’s duties and responsibilities include:

- overseeing the smooth functioning of the Board and ensuring that directors receive complete, adequate and timely information;
- setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board;
- ensuring effective communication by the Board and the Management with shareholders;
- encouraging constructive relations within the Board and between the Board and Management;
- facilitating the effective contribution of non-executive directors, in particular; and promoting high standards of corporate governance.

In addition, as CEO of the Group, he assumes responsibility for running the day-to-day business of the Group; ensures implementation of policies and strategy across the Group as set by the Board; manages the Management team; and leads the development of the Group’s strategic direction including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses.

In accordance with the Code, the Company has appointed a Lead Independent Director, Mr Lim Jit Soon, who would be available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

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.

The Board has established a Nominating Committee (“NC”) to make recommendations to the Board on all Board appointments. The NC comprises three Directors, the majority of whom, including the NC Chairman, are independent Directors. The Lead Independent Director is also a member of the NC.

The NC comprises:

Teo Kwee Yee - Chairman
Lim Jit Soon
Soong Chin Kum Jonathan Lloyd

CORPORATE GOVERNANCE REPORT

The duties and responsibilities of the NC, under its terms of reference, are as follows:

- (a) recommending to the Board the appointment of new directors and executive officers, including re-nominations of existing directors for re-election in accordance with the constitution of the Company, taking into account the director's contribution and performance;
- (b) reviewing and approving any new employment of persons related to the directors and substantial shareholders and proposed terms of their employment;
- (c) determining on an annual basis whether or not a director is independent with reference to the Code of Corporate Governance and Rules of Catalist;
- (d) reviewing and deciding whether or not a director is able to and has been adequately carrying out his duties as director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments;
- (e) reviewing the training and professional development programs of the Board, its Board Committees and directors;
- (f) reviewing succession plans for directors and Key Management Personnel;
- (g) reviewing the structure, size and composition (including skills, qualification, experience, core competencies and diversity) and knowledge of the Group that the Board requires to function competently and efficiently;
- (h) reviewing the directors' mix of skills, experience, core competencies and knowledge of the Group that the Board requires to function competently and efficiently;
- (i) determining and recommending to the Board the maximum number of listed company board representations which any director may hold and disclosing this in the Company's annual report; and
- (j) developing a process for evaluation of the performance of the Board as a whole and its Committees, and assessing the contribution of each director to the effectiveness of the Board.

The NC has in place a formal process for the selection, appointment and re-appointment of directors to the Board. In sourcing for new directors, the NC will tap on recommendations of the Company's sponsor and the directors' personal contacts for potential candidates, postings via SID and engagement of executive recruitment consultants. In the selection process, the NC considers attributes such as balance and diversity of skills vis-à-vis existing Board members, industry knowledge, requirements of the Group and time commitment, etc.. Background checks are also carried out on the shortlisted candidates. The NC meets with the shortlisted Board candidates to assess their suitability and availability before making recommendations to the Board for its consideration and approval. The NC ensures that new directors are aware of their duties and obligations.

The NC determines annually, and as and when circumstances require, if a director is independent in accordance with the guidelines stipulated in the Code and the Catalist Rules. The NC also decides whether directors, who have multiple board representations, have sufficient time and attention given to the affairs of the Company. Key information regarding directors, including their directorships in listed companies and principal commitments, is set out in the Annual Report under "Board of Directors".

According to the Company's Constitution, every director shall retire from office at least once every three years and for this purpose, at each Annual General Meeting ("**AGM**"), one-third of the directors shall retire from office by rotation. The retiring directors are eligible to offer themselves for re-election. The Company's Constitution further states that new directors appointed by the Board shall hold office until the next AGM and shall then be eligible for re-election.

CORPORATE GOVERNANCE REPORT

Each member of the NC shall abstain from voting on any resolutions in respect of his re-nomination as a director.

The NC, having considered the attendance and participation of the following directors at Board and Board Committees meetings, in particular, their contributions to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of the Director, Mr Lim Jit Soon and Mr Prashanth Palepu ("**Retiring Directors**"), who will be retiring pursuant to Regulation 111 of the Constitution of the Company at the forthcoming AGM.

If re-elected as a director of the Company:

- (a) Mr Lim Jit Soon will remain as Independent Director, Chairman of AC and member of NC and RC; and
- (b) Mr Prashanth Palepu will remain as Non-Executive and Non-Independent Director and member of RC.

Mr Lim Jit Soon will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

The maximum number of listed company board representations that any director may hold is not more than five directorships. Currently, none of the Directors holds more than the stipulated maximum number of directorships in listed companies.

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.

A formal assessment process is in place to assess the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual director to the effectiveness of the Board.

The NC has adopted the performance evaluation forms recommended by the Singapore Institute of Directors. The evaluations are conducted annually. As part of the process, the directors completed the evaluation forms which were collated by the Company Secretary, who then summarised the results of the evaluation and presented it to the NC. Recommendations for improvement were then submitted to the Board for discussion and for implementation in areas where the performance and effectiveness could be enhanced.

Board Performance Criteria

The Board is evaluated based on the following four categories:

- Structure – Board's size, composition, independence and diversity
- Strategy and performance – engaging and providing insightful inputs to the Company's long-term strategy
- Governance and organisation – reviewing the risk management and internal controls of the Group
- Board function and team dynamics – timely availability of information, board members' interaction as a group and accountability of management

CORPORATE GOVERNANCE REPORT

Board Committee Performance Criteria

Each Board Committee is evaluated based on the following:

- Structure
- Level of commitment (including frequency of meetings, attendance and preparation for meetings)
- Training and resources available to assist the Committee in discharging its duties
- Ability to fulfil its roles and responsibilities as set out in the Committee's terms of reference
- Relationship with the Board and communication with shareholders

Directors' Performance Criteria

Performance evaluation of individual directors is conducted annually through peer appraisal, together with the Board's evaluation. The performance criteria for assessing individual directors is based on the following:

- Board contribution – understanding and contributing to the Company's corporate objectives, strategic plans, key issues and mandates
- Leadership – contributes to corporate leadership with professional character and integrity
- Strategy and risk management – upholding effective governance of the Company
- Communication skills – ability to communicate concerns and ideas clearly and provide balanced arguments
- Director's duties – attendance, preparation for meetings and keeping abreast with corporate and other regulatory developments
- Knowledge – up-to-date knowledge and experience to discharge his role and responsibility
- Interpersonal relationships – effective interactions with other directors, senior management and professional advisers

The evaluation of the Board is to be performed annually by having all members complete Board and individual directors' evaluation questionnaires individually based on the above assessment parameters.

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.

The Remuneration Committee ("RC") is established to review and recommend to the Board a general framework of remuneration for the Board and key management personnel. The RC also reviews and recommends to the Board the specific remuneration packages for each director as well as for the key management personnel. The RC covers all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. No director is involved in deciding his or her own remuneration.

CORPORATE GOVERNANCE REPORT

The RC comprises three independent directors, namely:

Low Su-Shing – Chairman
Lim Jit Soon
Prashanth Palepu

The duties and responsibilities of the RC, under its terms of reference, are as follows:

- (a) review and approve the Company's policy for determining executive remuneration including the remuneration of the chief executive officer, executive directors, and key management executives (the "**Senior Management Executives**") ;
- (b) review the on-going appropriateness and relevance of the executive remuneration policy and other benefit programmes;
- (c) consider, review and approve and/or vary (if necessary) the entire specific remuneration package and service contract terms for each Senior Management Executive and any employee related to the directors, chief executive officer or substantial shareholders, if any (including salaries, allowances, bonuses, payments, options, benefits-in-kind, retirement rights, severance packages and service contracts);
- (d) consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to Senior Management Executives and employees related to the directors, chief executive officer or substantial shareholders, if any;
- (e) obtain reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing any appropriate reports, surveys or information. These will be at the expense of the Company, subject to the budgetary constraints imposed by the Board;
- (f) review and approve the design of all option plans, stock plans and/or other equity based plans;
- (g) for each equity based plan, determine whether awards will be made under that plan;
- (h) review and approve each award as well as the total proposed awards under each plan in accordance with the rules governing each plan, including awards to directors and Senior Management Executives;
- (i) review, approve and keep under review performance hurdles and/or fulfillment of performance hurdles for each equity based plan; and
- (j) approve the remuneration framework (including directors' fees) for non-executive directors of the Company.

The RC can seek expert advice, where necessary, inside and/or outside the Company on remuneration of all directors, at the Company's expense. No remuneration consultants were engaged by the Company for FY2024.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

CORPORATE GOVERNANCE REPORT

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.

The remuneration policy of the Group is designed to attract, retain and motivate executive directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for long-term growth. A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance so as to align with the interests of shareholders and promote the long-term success of the Group.

The Company has entered into a service agreement (the "**Service Agreement**") dated 30 March 2023 with Mr Soong Chin Kum Jonathan Lloyd, Chairman and CEO, taking effect from the date of admission of the Company to the Catalist Board of the SGX-ST on 9 June 2023. The parties may terminate the respective Service Agreement by giving the other party not less than six months' notice in writing and does not contain onerous termination clauses.

There are no existing or proposed service agreements entered into or to be entered into by our directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

Non-executive directors receive directors' fees, in accordance with their level of contribution, taking into account factors such as effort, time spent, and responsibilities of the directors. They are not overly remunerated to the extent that their independence may be compromised. Executive directors do not receive directors' fees. Directors' fees are recommended by the Board for approval by shareholders at the AGM.

The RC also oversees the administration of the Pasture Performance Share Plan ("**Pasture PSP**") (as well as other similar share plans as may be implemented by the Company from time to time) upon the terms of reference as set out in the Company's Offer Document dated 31 May 2023.

Principle 8: Disclosure on Remuneration

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

The remuneration bands of the directors of the Company for FY2024 are as follows:

	Fixed Salary (%)	Variable Bonus (%)	Director's Fees (%)	Total (%)
Name of Directors				
S\$250,001 – S\$500,000				
Soong Chin Kum Jonathan Lloyd	100%	–	–	100%
Below S\$250,000				
Claire Soong Jia Li (alternate Director to Lloyd Soong)	93%	7%	–	100%
Prashanth Palepu	–	–	–	–
Lim Jit Soon	–	–	100%	100%
Teo Kwee Yee	–	–	100%	100%
Low Su-Shing	–	–	100%	100%

CORPORATE GOVERNANCE REPORT

The Company has decided not to disclose the actual remuneration in dollar terms paid to the Directors and the CEO as the Company believes that such disclosure would be prejudicial to the Company's interests and hamper its ability to retain its Board of Directors and the CEO.

The Board is of the view that the information disclosed in this report, including the above disclosure of remuneration of Directors in bands of S\$250,000 with a breakdown (in percentage terms) showing the level and mix of remuneration, is sufficient for shareholders to have adequate understanding of the Company's remuneration framework, policies and practice for Directors. In addition, the fees for Non-Executive Director and Independent Directors are put to shareholders for approval annually at the Company's AGM.

The Code recommends that the Company should name and disclose the remuneration of at least the top five (5) Key Management Personnel. However, the RC believes such disclosure would be disadvantageous to the Group's business interests, given the highly competitive environment where poaching of staff is prevalent.

The Company has four key management personnel in FY2024. In order to provide a macro perspective of the remuneration patterns of Key Management Personnel, while maintaining the confidentiality, the disclosure of the Key Management Personnel remuneration (who are not Directors of the Company or the CEO) of the Group for FY2024 in bands of S\$250,000 are set out below

Name of key management personnel	Fixed Salary ⁽¹⁾ (%)	Variable Bonus ⁽²⁾ (%)	Others (%)	Total (%)
Below S\$250,000				
Tan Xi Yi	86%	14%	–	100%
Lee Quang Loong	83%	17%	–	100%
Ho Huey-Yi	82%	18%	–	100%
Titus Cheong ⁽³⁾	48%	–	52%	100%

(1) The salary percentage shown is inclusive of allowances, benefits in kind and CPF Contribution

(2) The bonus percentage shown is inclusive of CPF Contribution

(3) Titus Cheong left the Company on 14 December 2023

The total remuneration paid to the above key management personnel (who are not directors or the CEO) for FY2024 was approximately S\$533,000.

The Board is of the view that the information disclosed in this report, including the above disclosure, is sufficient for shareholders to have adequate understanding of the Company's remuneration framework, policies and practice for Key Management Personnel, as well as the link between performance and remuneration.

Ms Claire Soong Jia Li is the daughter of the CEO and substantial shareholder of the Company, Mr Soong Chin Kum Jonathan Lloyd and her remuneration has been disclosed above.

Save as disclosed above, there are no other employees who are immediate family members of a Director, CEO or a substantial shareholder of the Company during this financial year.

Total remuneration package of executive directors and key management personnel comprises fixed cash component of salary and allowances, variable performance incentives and contributions to the Central Provident Fund. Variable performance incentives are tied to the performance of the Group or business unit and the individual's performance.

CORPORATE GOVERNANCE REPORT

The Company also has in place long-term incentive schemes such as Pasture PSP as set out in the Company's Offer Document dated 31 May 2023. The scheme is administered by the Remuneration Committee. According to the Pasture PSP, total options and share awards shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) on the date preceding the granting of the share awards or share options.

No share awards have been granted since the commencement of the Pasture PSP.

In view of the foregoing, the RC confirms that the level and structure of remuneration are aligned with the long-term interest and risk management policies of the Group.

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 currently does not have a separate Board Risk Committee. The Board is assisted by the Audit Committee ("AC") to oversee the Group's risk management framework and policies. The Board recognises the importance to maintain a good system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. However, the Board is also mindful that internal controls can only provide reasonable and not absolute assurance to guard against human errors, poor judgement or fraud in a cost effective manner.

The Group has developed an enterprise risk management ("ERM") framework based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO ERM Framework) and the risk categories were derived from the insights by Gartner Risk Management Council, and the World Economic Forum Global Risk Report. This included the development of a Risk Management Policy, risk organization structure including clear roles and responsibilities, and a Risk Management Process to facilitate the Group to continuously assess, manage, report and monitor risks.

The Group has appointed HLS Risk Advisory Services Pte. Ltd. ("HLS") as internal auditors to evaluate and test the effectiveness of internal controls in selected areas that are in place in major operating companies of the Group and conduct the internal review of the Group's sustainability reporting processes. The internal audit review was conducted with a view to identify control gaps in the current business processes, ensure that operations were conducted within the policies and procedures laid down and identify areas for improvements, where controls can be strengthened. The internal auditors perform the internal audit functions in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors ("IIA").

In addition, the external auditors, RSM SG Assurance LLP, will also highlight internal control weaknesses which have come to their attention in the course of their statutory audit. All external and internal audit findings and recommendations were reported to the AC. There were no high-risk weaknesses identified in the course of their audits for FY2024. Management will implement the recommendations from the auditors to further strengthen the Group's internal controls system.

The Board has received assurance from the CEO and the Group Financial Controller ("GFC") that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances for FY2024. The CEO and key management personnel have also provided assurance that the Group's risk management and internal control systems are adequate and effective.

CORPORATE GOVERNANCE REPORT

Based on the foregoing, the Board, with the concurrence of the Audit Committee, is of the opinion that the internal controls, including financial, operational, compliance and information technology controls, and risk management systems of the Group were adequate and effective for FY2024.

Principle 10: Audit Committee

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

The AC comprises three independent directors, namely:

Lim Jit Soon – Chairman
Teo Kwee Yee
Low Su-Shing

The duties and responsibilities of the AC, under its terms of reference, are as follows:

- (a) assist the Board in the discharge of its responsibilities on financial and reporting matters;
- (b) review, with the Company's internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response, and results of the audits compiled by the internal and external auditors, and review at regular intervals with the management on the implementation by the Group of the internal control recommendations made by the internal and external auditors;
- (c) review the periodic financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements, concerns and issues arising from their audits, including any matters which the auditors may wish to discuss in the absence of the management, where necessary, before submission to the Board for approval;
- (d) review the assurance provided by the CEO and GFC that the financial records have been properly maintained and that the financial statements give a true and fair view of the Company's operation and finances;
- (e) review and report to the Board, at least annually, the effectiveness and adequacy of the Company's risk management and internal controls addressing financial, operational, information technology and compliance risks and discuss issues and concerns, if any, arising from the internal audits;
- (f) review the adequacy, effectiveness, independence, scope and results of the Company's internal and external functions as well as consider the appointment or re-appointment of internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors;
- (g) review and establish procedures for receipt, retention and treatment of complaints received by the Group, involving amongst others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group and ensure that there are arrangements in place for independent investigation and follow-up action(s);
- (h) ensure the company publicly discloses, and clearly communicates to employees, the existence of a whistleblowing policy and procedures for raising such concerns; and
- (i) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

CORPORATE GOVERNANCE REPORT

The AC has the authority to investigate any matters within its terms of reference, full access to and co-operation by management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The AC can seek professional advice, where necessary, at the Company's expense.

The AC does not comprise of at least (2) two members who have recent and relevant accounting or related financial management expertise or experience.

Notwithstanding this, the Board is of the view that the AC is able to discharge its duties sufficiently. The AC Chairman has recent and relevant accounting and related financial management expertise and experience. The other AC members both have extensive management and operational experience, which as part of their managerial experience in their various capacities during their employment history, includes financial management experience. The AC is also supported by External Auditors and other relevant finance professionals.

None of the AC members is a partner or director of the Group's auditing firms or auditing corporations or was a former partner or former director of the Group's auditing firms or auditing corporations. None of them has any financial interest in the Group's auditing firms or auditing corporations.

The Company outsources the internal audit function to an external professional firm to perform the review and test of controls of the Group's processes. The Company has appointed HLS as the internal auditors to review the internal control processes of the Group and conduct the internal review of the Group's sustainability reporting processes. HLS possesses vast experience in providing internal audits, risk management services and advisory services in the region. The internal auditors report primarily to the AC, which also decides on its appointment, termination and remuneration. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the AC. The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

The AC has met the external auditors and internal auditors, in each case without the presence of management, in FY2024 respectively.

WHISTLE-BLOWING POLICY

The Company has put in place a Whistle-Blowing Policy ("**Policy**") which sets out the procedures for a whistleblower to report misconduct or wrongdoing, or to raise concerns in good faith, with the reassurance of being protected from reprisals or victimisation, about possible improprieties in financial reporting or other matters, and to ensure that arrangements are in place for independent investigation of matters raised and for appropriate follow-up actions to be taken.

The Company ensures that the identity of the whistleblower is kept confidential and is committed to ensure the whistleblower is protected against detrimental or unfair treatment. The identity of the whistle-blower will not be made known to anyone other than (i) the investigating team; (ii) the AC and Board; (iii) the Group CEO (provided the whistleblowing in question is not concerned with the integrity of staff directly reporting to the Group CEO or the Group CEO himself); and (iv) parties to whom the identity of the whistle-blower is required to be disclosed by law. The whistle-blower's consent will be obtained when his / her identity is to be revealed to anyone other than in the above circumstances.

The AC is responsible for oversight and monitoring of whistleblowing. The AC will review investigation reports on whistleblowing cases and decide/recommend follow-up or remedial actions to be taken, where appropriate, and report the same to the Board accordingly. The AC may in its absolute discretion designate an independent function/party as it deems fit to investigate whistleblowing reports made in good faith. This Policy will be reviewed by the AC, as and when deemed appropriate, with recommendations, if any, made to the Board for approval. The Company's Policy had been updated to be in line with the relevant amendments to the SGX-ST's Listing Manual.

CORPORATE GOVERNANCE REPORT

The Policy has been disseminated and made available to all employees of the Group. A copy of the Policy is made available on the Company's corporate website at <https://pasturegroup.com/wp-content/uploads/2024/01/Whistleblowing-Policy-for-Pasture-Holdings-Ltd.pdf>

Material Associates And Joint Ventures

Material associates and joint ventures which the Company does not have control are not dealt with for the purposes of this report.

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.

Shareholders are encouraged to actively participate and vote at the Company's general meetings and the Company informs shareholders of the rules governing general meetings of shareholders. Notices of meetings are given to all shareholders together with explanatory notes or a circular on items of special business, at least fourteen clear days (for ordinary resolutions) or at least twenty-one clear days (for special resolutions) before the meeting. Reports or circulars of the general meetings are despatched or disseminated to all shareholders. If any shareholder is unable to attend, the Company's Constitution allows for absentia voting and the shareholder can appoint up to two proxies to attend, speak and vote on his/her behalf at the general meeting. The Company's Constitution allows corporations which are considered "relevant intermediary(ies)" to appoint more than two proxies to attend, speak and vote at the general meeting.

The Company ensures that there are separate resolutions at general meetings on each substantially separate issue. For greater transparency, the Company puts all resolutions to vote by poll and detailed results of the number of votes cast for and against each resolution and the respective percentages are presented and announced on the same day. Independent scrutineers are appointed to conduct the voting process and verify votes after each resolution.

Directors, external auditors and senior management are present and available to address shareholders' queries at general meetings. All directors attended the last AGM held on 31 October 2023. Minutes of meetings for the forthcoming AGM will be published on www.pasturegroup.com and the SGXNet within one month from the date of the AGM.

Dividend Policy

The Company does not have a formal dividend policy. The dividend that the Directors of the Company may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Directors of the Company:-

- (1) the level of the earnings of the Group;
- (2) the financial condition of the Group;
- (3) the projected levels of the Group's capital expenditure and other investment plans;
- (4) the restrictions on payment of dividends imposed on the Group by its financing arrangements (if any); and

CORPORATE GOVERNANCE REPORT

(5) other factors as the Directors of the Company may consider appropriate.

No dividend has been recommended by the Board in respect of FY2024 as the the Group plans to conserve cash in view of the Group's expansion plans and increase in capital expenditure expected in FY2025.

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.

The Board is accountable to the shareholders and is mindful of its obligation to provide timely and fair disclosure of material information to shareholders, investors and the public. The Board treats all shareholders fairly and equitably and seeks to protect and facilitate exercise of shareholder's rights.

The Company announces its Annual Report, half-yearly financial results, major developments and other price and/or trade sensitive information on SGXNET in a timely manner to ensure investors are kept abreast of the Group's developments. These documents are also made available on the Company's corporate website at www.pasturegroup.com.

Shareholders are given the opportunity to pose questions to the Board or the Management at the general meetings. The members of the AC, NC and RC will be present at the general meetings to answer questions relating to matters overseen by the respective committees. Shareholders are provided sufficient time to submit questions after the publication of notice of general meeting. The Company will address these questions timely to accord shareholders with reasonable time to consider matters tabled at the general meetings prior to the closing date and time for the lodgement of the proxy forms.

The Company has in place an investor relations policy and a corporate website which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. Shareholders may contact the Company with questions on the corporate website and the Company's investor relations team will address them accordingly.

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 Company has identified stakeholders as those who have an interest in the Group and can either affect or be affected by the Group's business and operations. These stakeholders include employees, customers, suppliers, investors, government and regulators as well as the community.

The Company engages its stakeholders through various communication channels. The Group holds regular townhall meetings and events to engage with our employees; our sales and marketing teams interact frequently with our customers and suppliers to better align mutual business interests; investor relations activities to engage investors have been discussed above; we strive to be a good corporate citizen with regular consultations with various government agencies; and we participate in several social and community events to connect with the general public.

Stakeholders can learn more about the Group from the website of the Company.

CORPORATE GOVERNANCE REPORT

OTHER CORPORATE GOVERNANCE MATTERS

Dealing In Securities

The Group has adopted internal policies that are consistent with Rule 1204(19) of the Catalist Rules of the SGX-ST's Listing Manual in relation to dealings in the Company's securities.

The Directors, officers and employees of the Company and its subsidiaries are notified that they are prohibited from trading in the Company's securities while in possession of unpublished material price-sensitive information.

The Company and Directors, officers and employees of the Company and its subsidiaries are prohibited from dealing in the Company's securities during the periods commencing one (1) month before the announcement of the Company's half year and full year unaudited financial statements and ending after the announcement of the relevant results.

The Directors, officers and employees of the Company and its subsidiaries are also expected to observe insider-trading laws at all times even when dealing in the Company's securities within the permitted trading period. They are also discouraged from dealing in the Company's securities on short-term considerations.

Directors are required to report to the Company Secretary whenever they deal in the Company's securities and the Company will make the necessary announcements in accordance with the disclosure requirements of the Listing Manual of the SGX-ST.

The Company confirms that it has complied with Rule 1204(19) of the SGX-ST Catalist Rules.

Interested Person Transactions

A general mandate was obtained from our shareholders pursuant to Rule 920(2) during the listing of our Group on 9 June 2023 (the "IPT General Mandate"). The IPT General Mandate was renewed in the AGM held on 31 October 2023. Save as disclosed in the table below, there were no other interested person transactions entered into in FY2024.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
Pleasant Exports	An associate of a director of the Company, Prashanth Palepu	None	Purchases – US\$ 23,000

CORPORATE GOVERNANCE REPORT

We anticipate that we would, in the ordinary course of business, continue to enter into certain transactions with our interested persons, including but not limited to those categories of transactions described below. In view of the time-sensitive and recurrent nature of such commercial transactions, it would be advantageous for us to obtain a general mandate from our Shareholders pursuant to Chapter 9 of the Catalist Rules to enable any or all members of our Group, in the ordinary course of their business, to enter into the Mandated Transactions (as defined below) with the Mandated Interested Persons (as defined below) which are necessary for our day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders.

Chapter 9 of the Catalist Rules allows a listed company to obtain a mandate from its shareholders for recurrent transactions 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 listed company's interested persons.

Pursuant to Rule 920(2) of the Catalist Rules, our Company may treat a general mandate as having been obtained from our Shareholders for us to enter into interested person transactions with our interested persons, if the information required under Rule 920(1)(b) of the Catalist Rules is included in the Company's Offer Document dated 31 May 2023.

In relation to our Company, the information required under Rule 920(1)(b) of the Catalist Rules is as follows:

- (a) the names of the interested persons with whom the Entity at Risk (as defined below) will be transacting;
- (b) the nature of the transactions contemplated under the mandate;
- (c) the rationale for, and benefit to, the Entity at Risk;
- (d) the methods or procedures for determining transaction prices;
- (e) the independent financial adviser's opinion on whether the methods or procedures in above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders;
- (f) an opinion from our Audit Committee if it takes a different view to the independent financial adviser;
- (g) a statement from us that we will obtain a fresh mandate from our Shareholders if the methods or procedures in (d) above become inappropriate; and
- (h) a statement that the interested person will abstain, and has undertaken to ensure that its Associates will abstain, from voting on the resolution approving the transaction.

For the avoidance of doubt, the IPT General Mandate will cover any and all Mandated Transactions, including transactions which have a value below S\$100,000, notwithstanding that the threshold and aggregation requirements under Chapter 9 of the Catalist Rules as at the date of the Company's Offer Document dated 31 May 2023 do not generally apply to such transactions.

CORPORATE GOVERNANCE REPORT

Transactions which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules and/or any applicable law. Transactions conducted under the IPT General Mandate are not separately subject to Rules 905 and 906 of the Catalist Rules pertaining to threshold and aggregation requirements.

There was no interested person transaction (“IPT”) which was more than S\$100,000 entered into during FY2024.

The AC reviews all IPT transactions, if any, at its half yearly meetings to ensure that all transactions are carried out on arm’s length basis and on normal commercial terms that will not be prejudicial to the interests of the Company or to its minority shareholders.

The AC reviews all IPT transactions, if any, at its half yearly meetings to ensure that all transactions are carried out on arm’s length basis and on normal commercial terms that will not be prejudicial to the interests of the Company or to its minority shareholders.

The Group does not have a general mandate for recurrent IPT.

Material Contracts

Save for the Service Agreements between the Company and the CEO, there were no material contracts of the Company or its subsidiaries involving the interest of the CEO, any director or controlling shareholder either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees incurred in FY2024 paid/payable to the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd.

Auditors and Fees Paid to Auditors

The aggregate amount of fees paid to the Company’s external auditors, RSM SG Assurance LLP and member firms of RSM SG Assurance LLP, in FY2024, were S\$101,000 and S\$14,000 respectively, comprising audit fees of S\$101,000 and non-audit fees of S\$14,000 for tax compliance services. The AC, having reviewed such non-audit services, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC considered and is satisfied with the adequacy of their resources, training and quality control, experience of the engagement team and the firm as a whole and quality of work carried out by the external auditor. The Group confirms that it has complied with Rule 712 and Rule 715 of the Catalist Rules in relation to its appointment of the audit firm for the Group.

Having been satisfied as to the foregoing, the AC has recommended the re-appointment of RSM SG Assurance LLP as external auditors at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

Use of IPO Proceeds

As of the time of this Annual Report, the IPO proceeds have been utilized as follows.

Use of proceeds	Amount in aggregate US\$'000	Utilized in FY2024 US\$'000	Amount Balance US\$'000
Strengthening our existing business segments and diversification into new geographical market segments	742	(40)	702
Exploring opportunities in mergers and acquisitions, joint ventures and strategic alliances	1,187	-	1,187
General working capital purposes	342	(342)	-
Total	2,271 ^(a)	(382)	1,889

(a) Based on exchange rate of S\$1.3479 = US\$1 (same manner as announcement) applied to the IPO net proceeds of S\$3,062,000 as stated in the Offer Document

Net proceeds used for general working capital purposes were payments for administrative expenses.

The Company will continue to make periodic announcements via SGXNET on the utilization of the balance of the IPO net proceeds as and when such proceeds are materially disbursed.

FINANCIAL STATEMENTS

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STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 30 June 2024.

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:

Soong Chin Kum Jonathan Lloyd
 Prashanth Palepu
 Claire Soong Jia Li (alternate director to Soong Chin Kum Jonathan Lloyd)
 Lim Jit Soon
 Low Su-Shing
 Teo Kwee Yee

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors' interests in shares in or debentures kept by the company under section 164 of the Companies Act 1967 (the "Act") except as follows:

Name of directors and companies in which interests are held	Direct Interest		Deemed Interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
Pasture Holdings Ltd.	<u>Number of ordinary shares of no-par value</u>			
(The company)				
Soong Chin Kum Jonathan Lloyd ^(a)	-	-	73,920,000	73,920,000
Prashanth Palepu ^(b)	-	-	38,080,000	38,080,000
PMI Holdings Pte. Ltd. ^(a)				
(Immediate and ultimate parent company)				
Soong Chin Kum Jonathan Lloyd	100	100	-	-

- (a) Mr Lloyd Soong holds the entire issued and paid-up share capital of PMI Holdings Pte. Ltd.. Accordingly, Mr. Lloyd Soong is deemed to have an interest in all the shares held by PMI Holdings Pte. Ltd. by virtue of Section 4 of the Securities and Futures Act 2001 ("SFA").

STATEMENT BY DIRECTORS

3. Directors' interests in shares and debentures (cont'd)

- (b) Mr. Prashanth Palepu holds 25.0% of the issued and paid-up share capital of Plutus Star Holding Pte. Ltd. Accordingly, Mr. Prashanth Palepu is deemed to have an interest in all the Shares held by Plutus Star Holding Pte. Ltd. by virtue of Section 4 of the SFA.

By virtue of section 7 of the Act, the above directors with interests are deemed to have an interest in the company and all the related body corporates of the company.

The directors' interests as of 21 July 2024 were the same as those at the end of the reporting year.

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 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 issued by virtue of the exercise of an option to take up unissued shares.

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

6. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment. This audit firm was known as RSM Chio Lim LLP before 1 March 2024.

7. Report of audit committee

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

Lim Jit Soon	(Chairman of audit committee)
Low Su-Shing	(Non-Executive and Independent Director)
Teo Kwee Yee	(Non-Executive and Independent Director)

The audit committee performed the functions specified by section 201B (5) of the Act. Among other functions, it reviewed the following, where relevant, with management, the external auditors and the internal auditors:

- The audit plan of the independent external auditor.
- The independent external auditor's evaluation of the company's internal accounting controls relevant to the statutory audit, the audit report on the financial statements and the assistance given by management to the auditor.

STATEMENT BY DIRECTORS

7. Report of audit committee (cont'd)

- The scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.
- The financial statements of the group and the company prior to their submission to the directors of the company for adoption.
- 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 the independent auditor objectivity and independence is safeguarded when the independent auditor provide non-audit services.

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

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, with the concurrence of the audit committee, is of the opinion that the company's internal controls (including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 30 June 2024 to address the risks that the company considers relevant and material to its operations.

9. Subsequent developments

There are no significant developments subsequent to the release of the group's and the company's financial statements, as announced on 22 August 2024, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

Soong Chin Kum Jonathan Lloyd
Director

Prashanth Palepu
Director

2 October 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Pasture Holdings Ltd.

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Pasture Holdings Ltd. (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 2024, 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 the material accounting policy information.

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 2024 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 group 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.

Revenue recognition

Refer to Note 2A "Revenue recognition", Note 2B "Revenue recognition – agent versus principal considerations" for the relevant accounting policies and discussion of critical judgements respectively and Note 5 for the breakdown in revenue. Also refer to Note 21 for the amount of advance payments from customers classified as contract liabilities at the end of the reporting year.

Key audit matter

The group generates revenue from the wholesale of mask and third-party pharmaceutical products to customers. The group typically bills these customers in advance prior to placing these orders with suppliers. Such advance payments received from customers are classified as contract liabilities.

INDEPENDENT AUDITOR'S REPORT

To the Members of Pasture Holdings Ltd.

Key audit matters (cont'd)

Key audit matter (cont'd)

For most sales arrangements, the group has control over the products before the products are transferred to customers even though the customers have prepaid for the products. Management has concluded that the group acts as a principal in these arrangements and the revenue from the sales of goods are only recognised when the group has satisfied the performance obligation to transfer the products by delivering the products to customers and when the customers have obtained control of the products.

The group has certain sales arrangements where the customer places orders directly with the group's suppliers and products are delivered directly from the suppliers to the customer concerned. For such arrangements, management has concluded that the group does not bear the credit risk and inventory risk of the products and thus, assessed that it acts as an agent for these arrangements and the related revenue has been recognised as net service income.

How we addressed the matter in our audit

We reviewed management's assessment and basis of recognition for revenue and factors that management considered in determining when control has passed to the customers and accordingly, the point at which revenue should be recognised. On a sample basis, we performed audit procedures to validate the point at which control of the products has been transferred to the customers and that revenue has been recognised accordingly.

We also obtained confirmations from customers with significant amounts of advance payments as at the end of the reporting year.

Other information

Management is responsible for the other information. The other information comprises the statement by directors 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 SFRS(I), 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 Pasture Holdings Ltd.

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Pasture Holdings Ltd.

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

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.

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 the 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 Uthaya Chandrikaa D/O Ponnusamy.

RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

2 October 2024

Engagement partner – effective from year ended 30 June 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2024

	Notes	Group	
		2024 US\$'000	2023 US\$'000
Revenue	5	14,063	9,704
Cost of sales		(10,597)	(7,978)
Gross profit		3,466	1,726
Other income and gains	6	342	342
Marketing and distribution costs		(134)	(180)
Administrative expenses	7	(2,848)	(2,984)
Other losses	6	(98)	(152)
Finance costs	9	(85)	(15)
Profit (loss) before tax		643	(1,263)
Income tax expense	10	(84)	(35)
Profit (loss), net of tax representing total comprehensive income (loss), attributable to owners of the company		559	(1,298)
Earnings/(loss) per share			
- Basic and diluted (cents)	11	0.42	(1.15)

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Notes	Group		Company	
		2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	12	1,639	376	1,380	-
Other financial assets	13	532	-	-	-
Investment in subsidiaries	14	-	-	137	137
Total non-current assets		2,171	376	1,517	137
<u>Current assets</u>					
Income tax recoverable		-	14	-	-
Inventories	15	3,870	2,046	-	-
Other non-financial assets	16	685	709	109	7
Trade and other receivables	17	1,050	307	1,591	233
Cash and cash equivalents	18	4,736	4,194	1,347	2,919
Total current assets		10,341	7,270	3,047	3,159
Total assets		12,512	7,646	4,564	3,296
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	19	3,671	3,671	3,671	3,671
Retained earnings/(accumulated losses)		716	157	(1,187)	(1,259)
Total equity		4,387	3,828	2,484	2,412
<u>Non-current liabilities</u>					
Loans and borrowings	20	520	-	-	-
Lease liabilities	22	1,144	54	1,144	-
Total non-current liabilities		1,664	54	1,144	-
<u>Current liabilities</u>					
Income tax payable		85	-	2	-
Other non-financial liabilities	21	5,265	3,234	-	-
Loans and borrowings	20	153	-	-	-
Lease liabilities	22	249	95	197	-
Trade and other payables	23	709	435	737	884
Total current liabilities		6,461	3,764	936	884
Total liabilities		8,125	3,818	2,080	884
Total equity and liabilities		12,512	7,646	4,564	3,296

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 30 June 2024

<u>Group:</u>	Total equity US\$'000	Share capital US\$'000	Retained earnings US\$'000
Current year:			
Opening balance at 1 July 2023	3,828	3,671	157
Changes in equity:			
Total comprehensive income for the year	559	-	559
Closing balance at 30 June 2024	4,387	3,671	716
Previous year:			
Opening balance at 1 July 2022	1,655	200	1,455
Changes in equity:			
Issue of shares (Note 19)	3,709	3,709	-
Share issue expenses (Note 19)	(238)	(238)	-
Total comprehensive loss for the year	(1,298)	-	(1,298)
Closing balance at 30 June 2023	3,828	3,671	157
 <u>Company:</u>			
Current year:			
Opening balance at 1 July 2023	2,412	3,671	(1,259)
Changes in equity:			
Total comprehensive income for the year	72	-	72
Closing balance at 30 June 2024	2,484	3,671	(1,187)
Previous year:			
Opening balance at 1 July 2022	209	200	9
Changes in equity:			
Issue of shares (Note 19)	3,709	3,709	-
Share issue expenses (Note 19)	(238)	(238)	-
Total comprehensive loss for the year	(1,268)	-	(1,268)
Closing balance at 30 June 2023	2,412	3,671	(1,259)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2024

Group

2024
US\$'000

2023
US\$'000

Cash flows from operating activities

Profit (loss) before tax	643	(1,263)
Adjustments for:		
Interest income	(23)	(1)
Interest expense	85	15
Insurance premium for other financial assets	1	-
Allowance for impairment for trade receivables	-	149
Loss from disposal of property, plant and equipment	40	1
Gain from disposal of leasehold property	-	(268)
Impairment of property, plant and equipment	-	2
Inventories written off	24	-
Reversal of provision for inventories obsolescence	(7)	(2)
Depreciation of property, plant and equipment	296	152
Unrealised exchange differences	(2)	-
Operating cash flows before changes in working capital	1,057	(1,215)
Inventories	(1,841)	(838)
Other non-financial assets	24	(190)
Trade and other receivables	(743)	(12)
Other non-financial liabilities	2,031	1,430
Trade and other payables	274	(150)
Net cash flows from operations	802	(975)
Income taxes recovered (paid)	15	(465)
Net cash flows from (used in) operating activities	817	(1,440)

Cash flows used in investing activities

Purchase of property, plant and equipment	(260)	(61)
Proceeds from disposal of property, plant and equipment	-	1,525
Interest received	23	1
Net cash flows (used in) from investing activities	(237)	1,465

Cash flows used in financing activities

Dividends paid to equity owners	-	(2,100)
Purchase of other financial assets	(539)	-
Increase in new loans and borrowings	775	-
Repayment of loans and borrowings	(136)	(764)
Cash pledged for bank facilities	(148)	-
Lease payments	(138)	(114)
Issuance of shares	-	3,709
Share issue expenses	-	(238)
Net cash flows (used in) from financing activities	(186)	493

Net increase in cash and cash equivalents

Cash and cash equivalents, statement of cash flows, beginning balance	4,194	3,676
Cash and cash equivalents, statement of cash flows, ending balance (Note 18A)	4,588	4,194

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

1. General information

Pasture Holdings Ltd. is incorporated in Singapore with limited liability and is listed on the Catalyst Board (the "Catalist") of Singapore Exchange Securities Trading Limited.

The financial statements are presented in United States Dollar ("US\$") and they cover the company (referred to as "parent") and its subsidiaries. All financial information have been rounded to the nearest thousand ("000"), except when otherwise stated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the company are those of investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 14 below.

The registered office of the company is located at 2 Corporation Rd #03-04/05 Corporation Place, Singapore 618494. The company is situated in Singapore.

Macroeconomic conditions related disclosures:

The conditions remain challenging with geopolitical instability which is affecting domestic and global growth in the current high interest environment.

Uncertainties relating to the current macroeconomic conditions

Management has considered the uncertain and challenging macroeconomic and geopolitical environment that has 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 comply with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards ("IFRS"s) issued by the International Accounting Standards Board ("IASB").

Basis of preparation of the financial statements

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

1. General information (cont'd)

Basis of presentation and principles of consolidated financial statements

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. They are de-consolidated from the date that control ceases.

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 equity investments 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.

2A. Material accounting policy information and other explanatory information

Revenue and income recognition

General - 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, and modifications), net of any related 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).

Services – Revenue from service orders is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. For services that are not material transactions, revenue is recognised as the services are provided.

Interest income is recognised using the effective interest method.

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

2A. Material accounting policy information and other explanatory information (cont'd)

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 to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). 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.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign currency transactions

The functional currency is the United States 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.

Income tax

Tax expense (tax benefit) 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 income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

2A. Material accounting policy information and other explanatory information (cont'd)

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 certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

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.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable 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 a finance cost. 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.

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.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first in first out method.

Carrying amounts of non-financial assets

The carrying amount of 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 expensed.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

2A. Material accounting policy information and other explanatory information (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes a party of 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.

Categories of financial assets and financial liabilities:

The financial reporting standard on financial instruments has four categories for financial assets and two categories for liabilities. At the end of the reporting year, the reporting entity had the following categories:

- 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.
- Financial liabilities are classified as at 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

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

2A. Material accounting policy information and other explanatory information (cont'd)

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 (e.g. 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 or 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.

Other specific material accounting policy information and other explanatory information

These are disclosed at the relevant notes to the financial statements.

2B. Critical judgements, assumptions and estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or in the corresponding notes to these financial statements. 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

2B. Critical judgements, assumptions and estimation uncertainties (cont'd)

Revenue recognition - agent versus principal considerations:

Management follows the guidance provided in SFRS(I) 15 Revenue from Contracts with Customers in determining whether the group is the principal or an agent in arrangements with customers that involve another party that contributes to providing the goods and/or services to the customer. In these instances, management determines whether the group has promised to provide the goods and/or services itself (as principal) or to arrange for the specified goods and/or service to be provided by another party (as an agent). Where the group is not primarily responsible for the fulfilment of goods and/or service, does not have control of the promised goods and/or service, and does not have full discretion in establishing prices, management has assessed that it is the agent in such transactions and recognises the revenue on a net basis as service income. For all other arrangements, management has determined that the group acts as a principal and the revenue is recognised on a gross basis. The revenue recognised for the year is disclosed in Note 5 to the financial statements.

Allowance for impairment on inventories:

The assessment of the allowance for impairment loss on inventories requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the expiry dates of inventories, committed purchase orders from customers for the inventories on hand and other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amounts of inventories at the end of the reporting year is disclosed in the note on inventories.

Expected credit loss allowance on trade receivables:

The assessment of the expected credit losses ("ECL") requires a degree of estimation and judgement. In measuring the expected credit losses, management considers all reasonable and supportable information such as the group'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. 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 is disclosed in the note on trade and other receivables.

Determination of functional currency:

Judgement is required to determine the functional currency of the group and company. Management considers economic environment in which the reporting entity operates and factors such as the currency that mainly influences the prices for its revenue items; the currency of the country whose competitive forces and regulations mainly determine the prices for its revenue items; and the currency that mainly influences labour, material and other costs of providing goods or services. It also considers other relevant factors that may also provide evidence of an entity's functional currency. Based on this assessment, management has determined United States Dollar as the functional currency of the group and company.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

2B. Critical judgements, assumptions and estimation uncertainties (cont'd)

Assessing the impairment loss on subsidiary:

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 flows. 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 investee affected. The carrying amount is disclosed in Note 14.

Assessing the terms of lease term or lease with extension or renewal options:

The lease liabilities are initially measured by discounting the lease payments over the lease terms. For leases with extension or renewal options, management applied judgement in determining whether such extension or renewal options should be reflected in measuring the lease liabilities. This requires the consideration of whether the facts and circumstances created an economic incentive for the exercise of the lease extension or renewal option. The amount of the lease liabilities at the end of the reporting year is US\$1,393,000 (2023: US\$149,000).

Assessing the discount rate used to measure lease liability:

The lease liabilities are initially measured by applying a discount rate to the lease payments over the lease terms. Management has exercised judgement in determining the appropriate discount rate used. The discount rate is determined based on the average borrowing rate. The rates are disclosed in Note 22.

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 Soong Chin Kum Jonathan Lloyd.

3A. Member of a group:

<u>Name</u>	<u>Relationship</u>	<u>Country of incorporation</u>
PMI Holdings Pte. Ltd.	Immediate and ultimate parent company	Singapore

Related companies in these financial statements include the member of the above group of companies.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

3. Related party relationships and transactions (cont'd)

3B. 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, services or obligations, 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 the transactions and balances disclosed elsewhere in the notes to the financial statements, other related party transactions include the following material related parties transactions:

	Group	
	2024	2023
	US\$'000	US\$'000
Related parties:		
Revenue (a)	-	(407)
Commission expenses (a)	-	5
Purchases (b)	23	21

(a) Transactions are with Pasture Marketing Inc, an entity previously wholly-owned by Soong Chin Kum Jonathan Lloyd, a director of the company. The entity was sold to an unrelated third party on 10 November 2022.

(b) Transactions are with Pleasant Exports, an entity where the entire issued share capital is held by Prashanth Palepu, a director of the company, together with his immediate family, Srinivasa Gopal Palepu and Pranay Palepu.

3C. Key management compensation:

	Group	
	2024	2023
	US\$'000	US\$'000
Salaries and other short-term employee benefits	893	339

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2024	2023
	US\$'000	US\$'000
Fees to directors of the company	81	21
Remuneration of directors of the company	416	252

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

3. Related party relationships and transactions (cont'd)

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

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

Group and company	Ultimate parent company	
	2024 US\$'000	2023 US\$'000
<u>Other payables:</u>		
At beginning of the year	-	(2,100)
Dividends paid	-	2,100
At end of the year	-	-
Company	Subsidiaries	
	2024 US\$'000	2023 US\$'000
<u>Other receivables (other payables):</u>		
At beginning of the year	(459)	2,100
Dividends received	-	(2,100)
Amounts paid in and settlement of liabilities on behalf of the company	-	(459)
Amounts paid out and settlement of liabilities on behalf of the subsidiaries	1,651	-
Balance at end of the year	1,192	(459)
Presented in the statement of financial position as follows:		
Other receivables (Note 17)	1,591	233
Other payables (Note 23)	(399)	(692)
	1,192	(459)

4. Financial information by operating segments

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 to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. 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.

NOTES TO THE FINANCIAL STATEMENTS

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4. Financial information by operating segments (cont'd)

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

For management purposes, the group is organised into three (3) major strategic operating segments: pharmaceutical wholesale and drop-shipment, masks and medical supplies and other services. 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 group distributes and sells its products via the following market segments:

- 1) Pharmaceutical wholesale and drop-shipment refer to sales generated from the wholesale procurement and transshipment of pharmaceutical and nutraceutical products and backend support of pharmaceutical supplies to international clients' online pharmacy businesses.
- 2) Masks and medical supplies refer to sales generated from surgical masks, N95 respirators, surgical N95 respirators, N95 respirators for general public use and wholesale procurement of medical supplies and devices.
- 3) Other services refer mainly to sales of new lines of products and services in new markets, such as oral disintegrating strips and the pet pharmaceutical and nutraceutical products and services.

This is determined by the nature or risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It also represents the basis on which management reports the primary segment information.

Inter-segment sales are measured on the basis that the group actually uses to price the transfers. Internal transfer pricing policies of the group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) gross profit; (2) profit before tax.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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4. Financial information by operating segments (cont'd)

4B. Profit or loss from continuing operations and reconciliations

	Pharmaceutical wholesale and drop-shipment US\$'000	Mask and medical supplies US\$'000	Other services US\$'000	Unallocated US\$'000	Total US\$'000
2024					
Revenue by segment					
Total revenue by segment	13,860	154	49	-	14,063
Total revenue	13,860	154	49	-	14,063
EBITDA					
Finance costs	(39)	-	-	(46)	(85)
Depreciation and amortisation	-	-	-	(296)	(296)
Profit (loss) before tax	2,101	69	54	(1,581)	643
Income tax expense					(84)
Profit, net of tax					559
2023					
Revenue by segment					
Total revenue by segment	9,645	45	14	-	9,704
Total revenue	9,645	45	14	-	9,704
EBITDA					
Finance costs	(15)	-	-	-	(15)
Depreciation and amortisation	-	-	-	(152)	(152)
Profit (loss) before tax	192	20	1	(1,476)	(1,263)
Income tax expense					(35)
Loss, net of tax					(1,298)

The unallocated expenses mainly included the group's corporate expenses such as employee benefits expenses and professional fees.

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4. Financial information by operating segments (cont'd)

4C. Assets and reconciliations

	Pharmaceutical wholesale and drop-shipment US\$'000	Mask and medical supplies US\$'000	Other services US\$'000	Unallocated US\$'000	Total US\$'000
2024					
Total assets for reportable segments ^(a)	4,507	113	300	-	4,920
Unallocated:					
Property, plant and equipment	-	-	-	1,639	1,639
Other financial assets	-	-	-	532	532
Cash and cash equivalents	-	-	-	4,736	4,736
Other non-financial assets	396	129	-	160	685
Total group assets	4,903	242	300	7,067	12,512
2023					
Total assets for reportable segments ^(a)	2,264	86	3	-	2,353
Unallocated:					
Property, plant and equipment	-	-	-	376	376
Cash and cash equivalents	-	-	-	4,194	4,194
Income tax recoverable	-	-	-	14	14
Other non-financial assets	456	85	-	168	709
Total group assets	2,720	171	3	4,752	7,646

(a) The segment assets consist principally of trade receivables and inventories. The other assets are not allocated to operating segments because they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

4D. Liabilities and reconciliations

	Pharmaceutical wholesale and drop-shipment US\$'000	Mask and medical supplies US\$'000	Unallocated US\$'000	Total US\$'000
2024				
Total liabilities for reportable segments	5,424	6	2,695	8,125
Total group liabilities	5,424	6	2,695	8,125
2023				
Total liabilities for reportable segments	3,405	72	341	3,818
Total group liabilities	3,405	72	341	3,818

NOTES TO THE FINANCIAL STATEMENTS

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4. Financial information by operating segments (cont'd)

4E. Other material items and reconciliations

	Pharmaceutical wholesale and drop-shipment US\$'000	Mask and medical supplies US\$'000	Other services US\$'000	Unallocated US\$'000	Total US\$'000
<u>Depreciation</u>					
2024	-	-	-	296	296
2023	-	-	-	152	152
<u>Capital expenditure</u>					
2024	-	-	-	260	260
2023	-	-	-	61	61

4F. Geographical information

	2024 US\$'000	2023 US\$'000
Japan	5,590	5,937
Hong Kong	3,076	1,167
Canada	4,971	2,232
Singapore	140	160
Others	286	208
Total revenue	14,063	9,704

Revenues are attributed to country on the basis of the customer's location, irrespective of the origin of the goods and services.

The group's non-current assets were all located in Singapore.

4G. Information on major customers

Except for the major customers disclosed below, there is no other single customer that accounted for 10% or more of the group's total revenue in 2024 and 2023.

	2024 US\$'000	2023 US\$'000
Customer 1 Pharmaceutical wholesale and drop-shipment	4,705	5,460
Customer 2 Pharmaceutical wholesale and drop-shipment	3,400	1,184

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

5. Revenue

	Group	
	2024 US\$'000	2023 US\$'000
Rendering of services	254	116
Sale of goods	13,809	9,588
Total revenue	<u>14,063</u>	<u>9,704</u>

All the contracts are less than 12 months. The revenue from sale of goods and rendering of services are recognised based on point in time. The customers are mainly those in the pharmaceutical industry. A large portion of the goods is exported.

6. Other income and gains and (other losses)

	Group	
	2024 US\$'000	2023 US\$'000
Interest income	23	1
Impairment allowance on property, plant and equipment (Note 12)	-	(2)
Foreign exchange translation (losses) gains, net	(34)	22
Government grant income	312	35
Loss from disposal of property, plant and equipment	(40)	(1)
Gain from disposal of leasehold property	-	268
Reversal of provision for inventories obsolescence (Note 15)	7	2
Inventories written off (Note 15)	(24)	-
Allowance for impairment for trade receivables (Note 17)	-	(149)
Other income	-	14
Net	<u>244</u>	<u>190</u>
Presented in profit or loss as:		
Other income and gains	342	342
Other losses	(98)	(152)
Net	<u>244</u>	<u>190</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

7. Administrative expenses

The major components and other selected components include the following:

	Group	
	2024	2023
	US\$'000	US\$'000
Depreciation of property, plant and equipment (Note 12)	296	152
Employee benefits expense (Note 8)	1,577	1,084
Initial public offering expenses (Note 19)	-	1,125

8. Employee benefits expense

	Group	
	2024	2023
	US\$'000	US\$'000
Short term employee benefits expense	1,377	956
Contributions to defined contribution plan	115	97
Other benefits	85	31
Total employee benefits expense	1,577	1,084

9. Finance costs

	Group	
	2024	2023
	US\$'000	US\$'000
Interest expense	40	13
Interest on lease liabilities	45	2
Total finance costs	85	15

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

10. Income tax

10A. Components of tax expense recognised in profit or loss include:

	Group	
	2024	2023
	US\$'000	US\$'000
<u>Current tax expense:</u>		
Current tax expense	84	35

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% (2023: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2024	2023
	US\$'000	US\$'000
Profit (loss) before tax	643	(1,263)
Income tax expense (benefit) at the above rate	109	(215)
Expenses not deductible for tax purposes	51	260
Income not subject to tax	(50)	-
Previously unrecognised deferred tax assets recognised this year	-	(10)
Stepped income exemption	(26)	-
Total income tax expense	84	35

There are no income tax consequences of dividends to owners of the company.

10B. Deferred tax (expense) benefit recognised in profit or loss includes:

	Group	
	2024	2023
	US\$'000	US\$'000
Previously unrecognised deferred tax assets recognised this year	-	10
Unrecognised deferred tax assets	-	(10)
Deferred tax benefit recognised in profit or loss	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

11. Earnings (loss) per share

	Group	
	2024 US\$'000	2023 US\$'000
Earnings (loss) per share, attributable to owners of the company (in US\$ cent)	0.42	(1.15)
Weighted average number of ordinary shares per share computation	132,000,000	113,205,479 ^(a)

(a) The weighted average number of ordinary shares is computed based on 112,000,000 shares after the share split and 20,000,000 new ordinary shares issued pursuant to the placement exercise in connection with the listing of the company (see Note 19).

Diluted (loss) earnings per share are the same as basic (loss) earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

12. Property, plant and equipment

<u>Group:</u>	Leasehold property US\$'000	Plant and equipment US\$'000	Right-of-use assets ^(a) US\$'000	Total US\$'000
<u>Cost:</u>				
At 1 July 2022	1,472	322	520	2,314
Additions	–	61	–	61
Disposal/written off	(1,472)	(185)	(121)	(1,778)
At 30 June 2023	–	198	399	597
Additions	–	260	1,363	1,623
Disposal/written off	–	(114)	(56)	(170)
At 30 June 2024	–	344	1,706	2,050
<u>Accumulated depreciation and impairment:</u>				
At 1 July 2022	210	231	146	587
Depreciation for the year	23	52	77	152
Disposal/written off	(233)	(166)	(121)	(520)
Impairment for the year	–	2	–	2
At 30 June 2023	–	119	102	221
Depreciation for the year	–	53	243	296
Disposal/written off	–	(74)	(32)	(106)
At 30 June 2024	–	98	313	411
<u>Carrying value:</u>				
At 1 July 2022	1,262	91	374	1,727
At 30 June 2023	–	79	297	376
At 30 June 2024	–	246	1,393	1,639

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

12. Property, plant and equipment (cont'd)

<u>Company:</u>	Right-of-use assets ^(b) US\$'000	Plant and equipment US\$'000	Total US\$'000
<u>Cost:</u>			
At 1 July 2022 and 30 June 2023	-	-	-
Additions	1,363	223	1,586
At 30 June 2024	1,363	223	1,586
<u>Accumulated depreciation:</u>			
At 1 July 2022 and 30 June 2023	-	-	-
Depreciation for the year	182	24	206
At 30 June 2024	182	24	206
<u>Carrying value:</u>			
At 1 July 2022 and 30 June 2023	-	-	-
At 30 June 2024	1,181	199	1,380

Depreciation expenses are charged to profit or loss and included in administrative expenses.

Right-of-use assets included in property, plant and equipment comprise of the following:

(a) Group:	Motor vehicle US\$'000	Office and warehouse premises US\$'000	Total US\$'000
<u>Cost:</u>			
At 1 July 2022	343	177	520
Written off	-	(121)	(121)
At 30 June 2023	343	56	399
Additions	-	1,363	1,363
Written off	-	(56)	(56)
At 30 June 2024	343	1,363	1,706
<u>Accumulated depreciation:</u>			
At 1 July 2022	23	123	146
Depreciation for the year	54	23	77
Written off	-	(109)	(109)
Reversal of impairment	-	(12)	(12)
At 30 June 2023	77	25	102
Depreciation for the year	54	189	243
Written off	-	(32)	(32)
At 30 June 2024	131	182	313
<u>Carrying value:</u>			
At 1 July 2022	320	54	374
At 30 June 2023	266	31	297
At 30 June 2024	212	1,181	1,393

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

12. Property, plant and equipment (cont'd)

Right-of-use assets included in property, plant and equipment comprise of the following: (cont'd)

(b) <u>Company:</u>	Office and warehouse premises US\$'000
<u>Cost:</u>	
At 1 July 2022 and 30 June 2023	-
Additions	1,363
At 30 June 2024	<u>1,363</u>
<u>Accumulated depreciation:</u>	
At 1 July 2022 and 30 June 2023	-
Depreciation for the year	182
At 30 June 2024	<u>182</u>
<u>Carrying value:</u>	
At 1 July 2022 and 30 June 2023	-
At 30 June 2024	<u><u>1,181</u></u>

The useful lives are as follows:

Leasehold property	-	over the lease terms of 60 years
Plant and equipment	-	3 to 5 years
Motor vehicle	-	3 years
Office and warehouse premises	-	6.25 years

13. Other financial assets

	Group	
	2024	2023
	US\$'000	US\$'000
At beginning of the year	-	-
Acquisition of keyman insurance	539	-
Insurance premium recognised in profit and loss	(1)	-
Foreign exchange difference	(6)	-
At end of the year	<u>532</u>	<u>-</u>

Key men insurance asset (life insurance settlement contract, which is a financial instrument) is accounted under the amortised cost method. The initial investment at the transaction price plus all the direct external costs, the policy premiums and direct external costs to keep the policy in force are capitalised. The reporting entity does not recognise a gain until the policy is terminated, at which time the reporting entity recognises in profit or loss the difference between the carrying amount of a life settlement contract and the life insurance proceeds of the underlying life insurance policy. A test for impairment is made if there is new or updated information that indicates that the expected proceeds (based on current interest rates) from the insurance policy will not be sufficient to recover the carrying amount of the investment plus anticipated undiscounted future premiums and capitalisable direct external costs, when the policy terminates. The impairment allowance is charged to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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14. Investments in subsidiaries

	Company	
	2024 US\$'000	2023 US\$'000
At cost:		
Balance at beginning and end of the year	137	137
Total cost comprising:		
Unquoted equity shares at cost	137	137
Net book value of subsidiaries	2,029	833

The subsidiaries held by the company are listed below:

Name of subsidiary, country of incorporation, place of operation and principal activities	Cost in books of company		Effective percentage of equity held	
	2024 US\$'000	2023 US\$'000	2024 %	2023 %
Pasture Pharma Pte Ltd ^(a) Singapore Wholesale of medicinal and pharmaceutical products (western) and wholesale of medical, professional, scientific and precision equipment	137	137	100	100
Pasture PharmaHub Pte. Ltd. ^(a) Singapore Wholesale of medicinal and pharmaceutical products (western) and wholesale of medical, professional, scientific and precision equipment	(*)	(*)	100	100
Pacific Biosciences Pte Ltd ^{(a), (b)} Singapore Wholesale of medicinal and pharmaceutical products (western) and veterinary activities	(*)	(*)	100	100

(a) Audited by RSM SG Assurance LLP.

(b) The company and another subsidiary have provided an undertaking to provide financial support to this entity.

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

NOTES TO THE FINANCIAL STATEMENTS

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15. Inventories

	Group	
	2024 US\$'000	2023 US\$'000
Finished goods and goods for resale	3,870	2,046
Inventories are stated after allowance.		
Movements in allowance:		
At beginning of the year	7	43
Written off	-	(34)
Reversed to profit or loss and included in other income and gains (Note 6)	(7)	(2)
At end of the year	-	7
Write-off of inventories charged to profit or loss and included in other losses (Note 6)	(24)	-
The amount of inventories included in cost of sales	9,807	7,546

There are no inventories pledged as securities for liabilities.

16. Other non-financial assets

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Advance to suppliers	524	541	-	-
Deposits to secure services	114	125	90	-
Prepayments	47	41	19	5
Others	-	2	-	2
	685	709	109	7

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

17. Trade and other receivables

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
<u>Trade receivables:</u>				
Outside parties	340	235	-	-
Less allowance for impairment	(149)	(149)	-	-
Goods and services tax receivable	859	221	-	-
Trade receivables – subtotal	<u>1,050</u>	<u>307</u>	-	-
<u>Other receivables:</u>				
Subsidiaries (Note 3)	-	-	1,591	233
Other receivables – subtotal	-	-	<u>1,591</u>	<u>233</u>
Total trade and other receivables	<u>1,050</u>	<u>307</u>	<u>1,591</u>	<u>233</u>

Movements in above allowance on trade receivables:

At beginning of the year	149	-	-	-
Charged to profit or loss and included in other losses (Note 6)	-	149	-	-
At end of the year	<u>149</u>	<u>149</u>	-	-

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

The expected credit losses (“ECL”) on the above trade receivables are based on the simplified approach to measuring 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.

NOTES TO THE FINANCIAL STATEMENTS

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17. Trade and other receivables (cont'd)

The aging of the trade receivables balances are as follows:

	Gross amount		Loss allowance	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Aging analysis of trade receivables:</u>				
Current	142	-	-	-
1 to 30 days past due	49	49	-	-
31 to 60 days past due	-	36	-	-
61 to 90 days past due	-	1	-	-
Over 90 days past due	149	149	(149)	(149)
Total	340	235	(149)	(149)

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.

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 18 days (2023: 14 days) as the group typically collects monies in advance. However, some customers take a longer period to settle the amounts. The customers' balances are subject to the ECL assessment under the financial reporting standard on financial instruments.

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

	Group	
	2024	2023
	US\$'000	US\$'000
Top 1 customer	125	35
Top 2 customers	173	66
Top 3 customers	182	72

Other receivables:

The other receivables shown above are subject to the ECL allowance assessment 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 any expected 12 month expected credit losses. At the end of the reporting year, a loss allowance is recognised if there has been a material increase in credit risk since initial recognition. For any material increase or decrease in credit risk, an adjustment is made to the loss allowance. The credit risk grade assessed is based on predictive nature of the risk of loss (such as the use of internal and external ratings, management accounts and cash flow projections and available published information about debtors that is available without undue cost or effort) and applying experienced credit judgement.

Other receivables are normally with no fixed terms and therefore there is no fixed maturity date.

NOTES TO THE FINANCIAL STATEMENTS

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18. Cash and cash equivalents

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Not restricted in use	4,588	4,194	1,347	2,919
Cash pledged for bank facilities ^(a)	148	-	-	-
	<u>4,736</u>	<u>4,194</u>	<u>1,347</u>	<u>2,919</u>

(a) This is for the placement of fixed deposit with the bank for the bank facilities.

The interest earning balances are not significant.

18A. Cash and cash equivalents in the statement of cash flows

	Group	
	2024 US\$'000	2023 US\$'000
Amount as shown above	4,736	4,194
Cash pledged for bank facilities	(148)	-
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>4,588</u>	<u>4,194</u>

18B. Non-cash transactions:

	Group	
	2024 US\$'000	2023 US\$'000
Acquisitions of certain property, plant and equipment under right-of-use assets under lease contracts	<u>1,363</u>	<u>-</u>

18C. Reconciliation of liabilities arising from financing activities:

	Group	
	2024 US\$'000	2023 US\$'000
<u>Lease liabilities</u>		
At beginning of the year	149	261
Cash flow changes:		
Lease payments	(138)	(114)
Non-cash changes:		
Acquisition of right-of-use assets	1,363	-
Write-off of right-of-use assets (Note 12)	(24)	-
Interest expense (Note 9)	45	2
Unrealised exchange gain	(2)	-
Net non-cash changes	<u>1,382</u>	<u>2</u>
At end of the year (Note 22)	<u>1,393</u>	<u>149</u>

NOTES TO THE FINANCIAL STATEMENTS

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18. Cash and cash equivalents (cont'd)

18C. Reconciliation of liabilities arising from financing activities (cont'd):

	Group	
	2024 US\$'000	2023 US\$'000
<u>Loans and borrowings</u>		
At beginning of the year	-	751
Cash flow changes:		
Increase in new loans and borrowings	775	-
Repayment of loans and borrowings	(136)	(764)
Net cash flow changes	639	(764)
Non-cash changes:		
Interest expense (Note 9)	40	13
Unrealised exchange gain	(6)	-
Net non-cash changes	34	13
At end of the year (Note 20)	673	-

19. Share capital

	Group and company	
	Number of shares issued	Share capital US\$'000
Ordinary shares of no par value:		
At 1 July 2022	200,000	200
Share split (a)	111,800,000	-
Issue of shares (b)	20,000,000	3,709
Share issue expenses (c)	-	(238)
Balance at 30 June 2023 and 30 June 2024	132,000,000	3,671

(a) On 30 May 2023, each of the ordinary shares was sub-divided into 560 ordinary shares (the "Share split"). Following the Share split, the issued and paid-up share capital was US\$200,000 comprising 112,000,000 ordinary shares.

(b) Pursuant to the issue and allotment of the 20,000,000 Placement Shares in connection with the listing of the company, the resultant issued and paid-up share capital of the company increased to US\$3,671,000 (after capitalisation of IPO expenses of US\$238,000) comprising 132,000,000 ordinary shares.

(c) In connection with the initial public offering ("IPO") in 2023, IPO expenses incurred amounted to US\$1,363,000 of which US\$238,000 were capitalised against share capital while the remaining amount of US\$1,125,000 had been included in administrative expenses (Note 7).

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.

NOTES TO THE FINANCIAL STATEMENTS

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19. Share capital (cont'd)

Capital management:

The objectives when managing capital are: to safeguard the reporting entity'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 owners 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 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 owners, issue new shares, or sell assets to reduce debt.

Adjusted capital comprises all components of equity (that is, share capital and reserves) less other amounts recognised in the statement of equity relating to cash flow hedges, and some forms of subordinated debt, if any.

There are material borrowings but these are substantially secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of risk from borrowings.

In order to maintain its listing on the Singapore Stock Exchange, it has to have share capital with a free float of at least 10% of the 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 a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

20. Loans and borrowings

	Group	
	2024	2023
	US\$'000	US\$'000
<u>Non-current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan A (secured)	345	-
<u>Financial instruments with fixed interest rates:</u>		
Bank loan B	175	-
Total non-current portion	520	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

20. Loans and borrowings (cont'd)

	Group	
	2024	2023
	US\$'000	US\$'000
<u>Current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan A (secured)	33	-
<u>Financial instruments with fixed interest rates:</u>		
Bank loan B	120	-
Total current portion	153	-
Total non-current and current	673	-
The non-current portion is repayable as follows:		
Due within 2 to 5 years	324	-
After 5 years	196	-
Total non-current portion	520	-

The range of floating interest rates paid was as follows:

	Group	
	2024	2023
Bank loan A ^(a) (secured)	5.48% - 5.60%	-

(a) Calculated at 1.5% per annum over bank's cost of fund.

20A. Bank loan

Both bank loan agreements provide among other matters for the following:

1. The group shall maintain an average credit balance of US\$1,000,000 with the bank.
2. Restrictions on dividend payment
3. No direct or indirect change of control in the shareholding is allowed.

Bank loan A which is repayable over a period of 10 years from September 2023, is secured and covered by the following:

1. Legal assignment of life policy in respect of a director for a day one cash surrender value of not less than S\$545,264 (approximately US\$408,153) (Note 13).
2. Letter of charge and set-off by a director in respect of fixed deposits of not less than S\$200,000 (approximately US\$148,020) to be placed with the bank (Note 18).
3. A corporate guarantee by the company.

Bank loan B which is repayable over a period of 3 years from November 2023, is covered by a corporate guarantee by the company and bears a fixed interest rate of 7.5% per annum.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

21. Other non-financial liabilities

	Group	
	2024	2023
	US\$'000	US\$'000
Contract liabilities on advances received from customers	5,265	3,234

The movements in contract liabilities are as follows:

	Group	
	2024	2023
	US\$'000	US\$'000
At beginning of the year	3,234	1,804
Consideration received or receivable	8,255	3,234
Performance obligation satisfied – revenue recognised	(6,224)	(1,804)
At end of the year	5,265	3,234
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as of the end of the reporting year:		
Expected to be recognised within 1 year	5,265	3,234

The contract liabilities primarily relate to the advance consideration received from customers for which no transfer of control occurs, and therefore no revenue is recognised. The entity recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

The increase was due to receipt of more advances from customers for increase in demand of certain pharmaceutical products.

22. Lease liabilities

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

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Lease liabilities, current	249	95	197	-
Lease liabilities, non-current	1,144	54	1,144	-
	1,393	149	1,341	-

Lease for right-of-use assets – The group has leases relating to the office and warehouse premises and a motor vehicle. Other information about the leasing activities are summarised as follows - The leases prohibit the lessee from selling or pledging the underlying leased assets as security unless permitted by the owners. There are no variable payments linked to an index. The leases are for terms between 3 to 6.25 years. The office lease provide options to extend for a further term.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

22. Lease liabilities (cont'd)

The lease liabilities above do 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 incremental borrowing rates applied to lease liabilities recognised are 1.99% and 4% (2023: 1.99% and 6%) for motor vehicle and, office and warehouse premises respectively per year.

A summary of the maturity analysis of lease liabilities is disclosed in Note 24E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use assets are disclosed in Note 12.

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

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

23. Trade and other payables

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
<u>Trade payables:</u>				
Outside parties	288	168	28	17
Goods and services tax payable	89	-	89	-
Trade payables - subtotal	377	168	117	17
<u>Other payables:</u>				
Accrued liabilities	332	267	221	175
Subsidiaries (Note 3)	-	-	399	692
Other payables - subtotal	332	267	620	867
Total trade and other payables	709	435	737	884

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

24. Financial instruments: information on financial risks and other explanatory information

24A. Categories of financial assets and financial liabilities

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

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	6,318	4,501	2,938	3,152
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	2,775	584	2,078	884

Further quantitative disclosures are included throughout these financial statements.

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, currency risk and price risk exposures. Management has certain practices for the management of financial risks and closely monitors the short and long-term objectives and action to be taken in order to manage the financial risks.

The process includes the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.
5. Whether appropriate consideration is given to entering into derivatives or any other similar instruments for hedging purposes.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

24C. Fair value 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 material 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. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

24. Financial instruments: information on financial risks and other explanatory information (cont'd)

24D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure ECL allowance on financial assets. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates.

Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets, an ongoing credit evaluation is performed on the financial condition of the debtors and any 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 18 discloses the cash balances. There was no identified impairment loss.

24E. Liquidity risk – financial liabilities maturity analysis

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 current liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 18 days (2023: 23 days). The other payables are with short-term durations. The maturity analysis of the non-current liabilities are disclosed below. 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):

<u>Group</u>	Less than 1 year US\$'000	2 – 5 years US\$'000	Over 5 years US\$'000	Total US\$'000
Non-derivative financial liabilities:				
<u>2024:</u>				
Gross loans and borrowings	191	394	219	804
Gross lease liabilities	303	1,112	140	1,555
Trade and other payables	709	–	–	709
At end of the year	1,203	1,506	359	3,068
Non-derivative financial liabilities:				
<u>2023:</u>				
Gross lease liabilities	99	64	–	163
Trade and other payables	435	–	–	435
At end of the year	534	64	–	598

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

24. Financial instruments: information on financial risks and other explanatory information (cont'd)

24E. Liquidity risk – financial liabilities maturity analysis (cont'd)

<u>Company</u>	Less than 1 year US\$'000	2 – 5 years US\$'000	Over 5 years US\$'000	Total US\$'000
Non-derivative financial liabilities:				
<u>2024:</u>				
Gross lease liabilities	248	1,112	140	1,500
Trade and other payables	737	-	-	737
At end of the year	985	1,112	140	2,237
Non-derivative financial liabilities:				
<u>2023:</u>				
Trade and other payables	884	-	-	884
At end of the year	884	-	-	884

The undiscounted amounts on borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

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.

Bank facilities:

	Group	
	2024 US\$'000	2023 US\$'000
Undrawn borrowing facilities	2,675	1,493

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

24. Financial instruments: information on financial risks and other explanatory information (cont'd)

24F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
<u>Financial liabilities with interest:</u>				
Fixed rates	1,688	149	1,341	-
Floating rates	378	-	-	-
	<u>2,066</u>	<u>149</u>	<u>1,341</u>	<u>-</u>

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

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

24G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

Analysis of significant amounts denominated in non-functional currency:

<u>Singapore Dollar</u>	Group US\$'000	Company US\$'000
<u>2024:</u>		
<u>Financial assets:</u>		
Cash and cash equivalents	1,156	792
Trade and other receivables	867	-
Total financial assets	<u>2,023</u>	<u>792</u>
<u>Financial liabilities:</u>		
Trade and other payables	(519)	(337)
Loans and borrowings	(673)	-
Lease liabilities	(1,393)	(1,342)
Total financial liabilities	<u>(2,585)</u>	<u>(1,679)</u>
Net financial liabilities at end of the year	<u>(562)</u>	<u>(887)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

24. Financial instruments: information on financial risks and other explanatory information (cont'd)

24G. Foreign currency risks (cont'd)

<u>Singapore Dollar</u>	<u>Group</u> <u>US\$'000</u>	<u>Company</u> <u>US\$'000</u>
<u>2023:</u>		
<u>Financial assets:</u>		
Cash and cash equivalents	2,966	2,857
Trade and other receivables	263	-
Total financial assets	<u>3,229</u>	<u>2,857</u>
<u>Financial liabilities:</u>		
Trade and other payables	(353)	(192)
Lease liabilities	(149)	-
Total financial liabilities	<u>(502)</u>	<u>(192)</u>
Net financial assets at end of the year	<u>2,727</u>	<u>2,665</u>

Sensitivity analysis:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u> <u>US\$'000</u>	<u>2023</u> <u>US\$'000</u>	<u>2024</u> <u>US\$'000</u>	<u>2023</u> <u>US\$'000</u>
A hypothetical 10% strengthening in the exchange rate of the functional currency USD against S\$ with all other variables held constant would have a favourable (adverse) effect on pre-tax profit of	<u>56</u>	<u>(273)</u>	<u>89</u>	<u>(267)</u>

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 exposures 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.

There was a favourable change to Singapore Dollars during the reporting year due to new leases entered into which are denominated in Singapore Dollars.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2024

25. Items in profit or loss

In addition to the profit and loss line items disclosed elsewhere in the notes to the financial statements, this item includes the following expenses:

	Group	
	2024 US\$'000	2023 US\$'000
Audit fees to the independent auditor of the company	75	70
Audit-related services ("ARS") fees to the independent auditor of the company – in connection with the initial public offering during the reporting year	–	168
Non-ARS fees to the independent auditor of the company	10	16

26. Changes and adoption of financial reporting standards

For the current reporting year, the ASC issued amendments to FRS 1 and Practice Statement 2 on disclosures of material accounting policy information and other explanatory information. Immaterial information need not be disclosed. Disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements etc.). In addition, the ASC issued certain new or revised financial reporting standards. None had a material impact on the reporting entity.

27. New or amended standards in issue but not yet effective

For the future reporting years, the ASC issued certain new or revised financial reporting standards. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the group for future reporting years are listed below.

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 January 2024
SFRS(I) 1-1	Presentation of Financial Statements - amendment relating to Non-current Liabilities with Covenants	1 January 2024

STATISTICS OF SHAREHOLDINGS

As at 20 September 2024

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	-	0.00	-	0.00
100 - 1,000	13	18.31	7,000	0.01
1,001 - 10,000	17	23.94	106,200	0.08
10,001 - 1,000,000	34	47.89	3,961,200	3.00
1,000,001 AND ABOVE	7	9.86	127,925,600	96.91
TOTAL	71	100.00	132,000,000	100.00

TWENTY-FOUR LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NO. OF SHARES HELD	%
1	PMI HOLDINGS PTE. LTD.	73,920,000	56.00
2	PLUTUS STAR HOLDING PTE. LTD.	38,080,000	28.85
3	MAYBANK SECURITIES PTE. LTD.	5,205,700	3.94
4	CHNG NAI WEE	4,000,000	3.03
5	TAY ENG HSEON	3,760,000	2.85
6	UOB KAY HIAN PTE LTD	1,759,900	1.33
7	ANG MENG HAI MARKUS DAVID	1,200,000	0.91
8	WONG HENG YIEW	400,000	0.30
9	LONG JEE JONG	205,800	0.16
10	TIGER BROKERS (SINGAPORE) PTE. LTD.	194,300	0.15
11	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	180,000	0.14
12	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	170,100	0.13
13	YAP BOH WEI	161,700	0.12
14	BERNARDO WANGSA	160,000	0.12
15	CAROLINA ROSALINDA LAU	160,000	0.12
16	CHRISTIE KERK LAY TIN	160,000	0.12
17	HENG TUNG LAN	160,000	0.12
18	HO PEI JIA ANNA	160,000	0.12
19	KOH KEE LIAN LILIAN	160,000	0.12
20	LEE KIAM LENG DESMOND (LI JIANLONG DESMOND)	160,000	0.12
21	LEONG FOOK CHOY BENEDICT	160,000	0.12
22	LUCA SELDON@LUCA MORETTI SELDON	160,000	0.12
23	ROIDA SIANIPAR LAXTON	160,000	0.12
24	TAN SOCK HUA (CHEN SHU HUA)	160,000	0.12
	TOTAL:	130,997,500	99.23

STATISTICS OF SHAREHOLDINGS

As at 20 September 2024

LIST OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Plutus Star Holding Pte. Ltd.	38,080,000	28.85	0	0.00
PMI Holdings Pte. Ltd.	73,920,000	56.00	0	0.00
Srinivasa Gopal Palepu ⁽¹⁾	0	0.00	38,080,000	28.85
Pranay Palepu ⁽²⁾	0	0.00	38,080,000	28.85
Prashanth Palepu ⁽³⁾	0	0.00	38,080,000	28.85
Soong Chin Kum Jonathan Lloyd ⁽⁴⁾	0	0.00	73,920,000	56.00

Footnote:

- (1) Mr. Srinivasa Gopal Palepu holds 50.0% of the issued and paid-up share capital of Plutus Star Holding Pte. Ltd.. Accordingly, Mr. Srinivasa Gopal Palepu is deemed to have an interest in the 38,080,000 shares held by Plutus Star Holding Pte. Ltd. by virtue of Section 4 of the Securities and Futures Act 2001 ("SFA") and Section 7 of the Companies Act 1967 ("CA").
- (2) Mr. Pranay Palepu holds 25.0% of the issued and paid-up share capital of Plutus Star Holding Pte. Ltd.. Accordingly, Mr. Pranay Palepu is deemed to have an interest in the 38,080,000 shares held by Plutus Star Holding Pte. Ltd. by virtue of Section 4 of the SFA and Section 7 of the CA.
- (3) Mr. Prashanth Palepu holds 25.0% of the issued and paid-up share capital of Plutus Star Holding Pte. Ltd.. Accordingly, Mr. Prashanth Palepu is deemed to have an interest in the 38,080,000 shares held by Plutus Star Holding Pte. Ltd. by virtue of Section 4 of the SFA and Section 7 of the CA.
- (4) Mr. Soong Chin Kum Jonathan Lloyd holds the entire issued and paid-up share capital of PMI Holdings Pte. Ltd.. Accordingly, Mr. Soong Chin Kum Jonathan Lloyd is deemed to have an interest in the 73,920,000 shares held by PMI Holdings Pte. Ltd. by virtue of Section 4 of the SFA and Section 7 of the CA.

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 15.15% of the issued ordinary shares of the Company are held in the hands of the public as at 20 September 2024. Therefore, Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Singapore Recreation Club, Connaught Drive, B, Singapore 179682 on Tuesday, 29 October 2024 at 10.30 a.m. to transact the following business: -

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Directors' Statement and Independent Auditors' Report thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees of up to S\$144,000.00 for the financial year ending 30 June 2025, to be paid half-yearly in arrears. **(Resolution 2)**
3. To re-elect Mr Prashanth Palepu who is retiring pursuant to Regulation 111 of the Company's Constitution. **(Resolution 3)**

Mr Prashanth Palepu, will upon re-election as a Director of the Company, continue to serve as a Non-Executive Director and as a member of the Remuneration Committee.

[See Explanatory Note (i)]

4. To re-elect Mr Lim Jit Soon who is retiring pursuant to Regulation 111 of the Company's Constitution. **(Resolution 4)**

Mr Lim Jit Soon, will upon re-election as a Director of the Company, continue to serve as the Non-Executive and Lead Independent Director, the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. Mr Lim Jit Soon shall be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

[See Explanatory Note (i)]

5. To re-appoint Messrs RSM SG Assurance LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without any modifications:-

7. **Authority to allot and issue shares and convertible securities** **(Resolution 6)**
 - (a) That pursuant to Section 161 of the Companies Act 1967, and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:
 - (i) issue and allot shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares;
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

- (i) 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) does not exceed 100% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 50% of the total number of issued shares excluding treasury shares of the Company.

For the purpose of this resolution, the total number of issued shares excluding treasury shares is based on the Company’s total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for;

- (a) new shares arising from the conversion or exercise of convertible securities, or
 - (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules, and
 - (c) any subsequent bonus issue, consolidation or subdivision of the Company’s shares, and
- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (ii)]

NOTICE OF ANNUAL GENERAL MEETING

8. **Authority to issue shares under Pasture Performance Share Plan** (Resolution 7)

That the Directors of the Company be authorised and empowered to offer and grant awards under the Pasture Performance Share Plan (the “**Plan**”) and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Plan and such other share-based incentive schemes shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

9. **Renewal of the Shareholders’ General Mandate for Interested Person Transactions** (Resolution 8)

That for the purposes of Chapter 9 of the Catalist Rules:

- (a) approval be given for the renewal of the mandate for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Catalist Rules, or any of them to enter into any of the transactions falling within the categories of Mandated Transactions described in the Appendix to the Annual Report dated 14 October 2024 (the “**Appendix**”) with any Mandated Interested Person described in the Appendix, provided that such transactions are carried out on normal commercial terms and in accordance with the review procedures of the Company for such interested person transactions as set out in the Appendix (the “**IPT General Mandate**”);
- (b) the IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company (or extraordinary general meeting following such annual general meeting); and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he/she may consider necessary, desirable or expedient or in the interests of the Company to give effect to the IPT General Mandate and/or this resolution.

[See Explanatory Note (iv)]

BY ORDER OF THE BOARD

Peck Jen Jen
Company Secretary
14 October 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note:-

- (i) Detailed information on Mr Prashanth Palepu and Mr Lim Jit Soon who are proposed to be re-elected as Directors of the Company can be found under sections "Board of Directors" and "Additional Information on Directors seeking re-election" in the Company's Annual Report for the financial year ended 30 June 2024.
- (ii) The ordinary resolution 6 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of this Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 100% of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 50% of the issued share capital of the Company, excluding treasury shares and subsidiary holdings, at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.
- (iii) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Plan and such other share-based incentive scheme up to a number not exceeding in total (for the entire duration of the Plan) 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
- (iv) The Ordinary Resolution 8 proposed in item 9 above, if passed, will renew the IPT General Mandate for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" within the meaning of Chapter 9 of the Catalist Rules, or any of them to enter into certain types of transactions with specified classes of the Interested Persons set out in the Appendix. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next annual general meeting of the Company (or extraordinary general meeting following such annual general meeting). More details to the renewal of the IPT General Mandate can be found in the Appendix.

Notes:

1. The AGM is being convened and will be held physically at Singapore Recreation Club, Connaught Drive, B, Singapore 179682. **There will be no option for members to participate virtually.**
2. Printed copies of the 2024 Annual Report, Notice of AGM and Proxy Form are available to members via publication on the Company's website at <https://pasturegroup.com/investors/> and the SGX website at <https://www.sgx.com/securities/company-announcements>.

Printed copies of the Annual Report will not be sent to members unless specifically requested by shareholders via the above channels.

3. Members (including CPFIS and SRS investors) may participate in the AGM by:
 - (a) attending the AGM in person;
 - (b) submitting questions to the Chairman of the Meeting in advance of, or at, the AGM; and/or
 - (c) voting at the AGM
 - (i) themselves personally; or
 - (ii) through their duly appointed proxy(ies).

CPFIS and SRS investors who wish to appoint the Chairman of the Meeting (and not third party prox(ies)) as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes. Please see item 7 below for details.
4.
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead at the AGM.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares held by such member in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A proxy need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

6. A member can appoint the Chairman of the Meeting as his/her/its proxy **but** this is **not mandatory**.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the Chairman of the Meeting will vote at his discretion.

7. CPFIS/SRS investors who hold shares through CPF Agent Banks/SRS Operators:

- (a) may vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes at least seven (7) working days prior to the date of AGM i.e. **by 10.30 a.m. on 17 October 2024**.

8. Submission of instrument of proxy or proxy ("**Proxy Form**") – **By 10.30 a.m. on 26 October 2024**

The Proxy Form must be submitted through any one of the following means:

- (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place #26-01 Republic Plaza Singapore 048619; or
- (b) if submitted electronically, be submitted via contact@pasturegroup.com.

in either case, **by 10.30 a.m. on 26 October 2024**, being not less than seventy-two (72) hours before the time appointed for holding the Meeting (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

9. The Company shall be entitled to, and will, treat any valid Proxy Form which was delivered by a member to the Company **before 10.30 a.m. on 26 October 2024** as a valid instrument as the member's proxy to attend, speak and vote at the Meeting if: (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and (b) the member has not withdrawn the appointment by 10.30 a.m. on 26 October 2024.
10. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
11. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the Meeting if he/she so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the 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 relevant instrument appointing a proxy(ies) to the Meeting.
12. Submission of questions by members in advance of the Meeting – **By 21 October 2024**
- (a) Members may also submit questions related to the resolutions to be tabled for approval at the Meeting. All questions, together with the members' full names, identification numbers, contact numbers and email addresses and manner in which they hold shares in the Company ("**Shares**"), must be submitted no later than **21 October 2024** via contact@pasturegroup.com or by post to the registered office of the Company at 2 Corporation Road, #03-04/05 Corporation Place, Singapore 618494.
 - (b) The Company will publish the responses to substantial and relevant questions on the SGX website at <https://www.sgx.com/securities/company-announcements> and the Company's website <https://pasturegroup.com/investors/> not later than **10.30 a.m. on 24 October 2024**, being 48 hours before the closing date and time for the lodgement of proxy forms.
 - (c) The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after its Responses to Q&A at the Meeting itself. Where substantially similar questions are received, we will consolidate such questions and consequently not all questions may be individually addressed.
 - (d) Minutes of AGM - The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNET, and the minutes will include the responses to the questions which are addressed during the AGM, if any.
13. Members are reminded to check the Company's website at <https://pasturegroup.com/investors/> and on the SGX website at <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the AGM.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Prashanth Palepu and Mr Lim Jit Soon are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 October 2024 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the following is the information relating to the Retiring Director as set out in Appendix 7F of the Catalist Rules:

	Prashanth Palepu	Lim Jit Soon
Date of Appointment	3 November 2017	29 March 2023
Date of last re-appointment	N/A	31 October 2023
Age	31	67
Country of principal residence	India	Malaysia
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Prashanth Palepu for re-appointment as a Non-Executive and Non-Independent Director of the Company.</p> <p>The Board has reviewed and concluded that Mr Prashanth Palepu possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>	<p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lim Jit Soon for re-appointment as Non-Executive and Lead Independent Director of the Company.</p> <p>The Board has reviewed and concluded that Mr Lim Jit Soon possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Non-Independent Director and a member of the Remuneration Committee	Non-Executive and Lead Independent Director, Chairman of Audit Committee and a member of the Nominating Committee and Remuneration Committee.
Professional qualifications	Mr. Palepu graduated with a Bachelor of Commerce from the Loyola College, Chennai and a Master of Science in Supply Chain and Logistics Management from the University of Warwick, England.	Mr Lim completed his professional education with the Institute of Chartered Accountants in England and Wales, was admitted to the Institute of Chartered Accountants in England and Wales as an Associate Member and became a Fellow Chartered Accountant.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Prashanth Palepu	Lim Jit Soon
Working experience and occupation(s) during the past 10 years	<p>Mr. Palepu joined our Group in July 2017 as a non-executive director of the Group's subsidiaries, Pasture Pharma and Pacific Biosciences, and thereafter, was appointed as a non-executive director of Pasture PharmaHub in September 2019.</p> <p>He is a director appointed by Plutus Star Holding Pte. Ltd. to oversee the investment of Plutus Star Holding Pte. Ltd. in the Group. While he is not involved in the day-to-day management and operations of the Group, from time to time, on an ad-hoc basis when requested by the Group, he will assist in representing the Group in his capacity as non-executive director in India, where he is currently located, in relation to the Group's suppliers in India.</p> <p>Mr. Palepu started his career at British American Tobacco Singapore Pte. Ltd., where he was a material planner and data analyst from April 2015 to October 2016, and was part of the Asia Pacific regional supply chain team, where he was the project lead for the data code harmonisation of multiple materials groups. He joined Palepu Pharma as the chief operating officer from October 2016 to date, which is an entity involved in the wholesale, distribution and supply of pharmaceutical products in India, where Mr. Palepu spearheaded developments within the supply chain process, such as artificial intelligence and machine learning algorithms to predict the supply load to reduce the manual labour dependency.</p> <p>Mr. Palepu has been a member of the Entrepreneurs Organisation in India since 2017, which is a global platform for entrepreneurs.</p>	<p>Mr Lim has over 30 years of experience in corporate finance, corporate restructuring and tax planning, where he has held several senior finance positions, including as chief financial officer.</p> <p>Mr Lim joined Stemlife Berhad in March 2004, where he assisted in the listing of Stemlife Berhad on the ACE Market of the Bursa Malaysia in 2006, before joining Fuelcore Pte. Ltd. as its chief financial officer in June 2015 before retiring from his position in January 2024.</p>

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Prashanth Palepu	Lim Jit Soon
Shareholding interest in the listed issuer and its subsidiaries	Mr Prashanth Palepu holds 25.0% of the issued and paid-up share capital of Plutus Star Holding Pte. Ltd.. Accordingly, Mr Prashanth Palepu is deemed to have an interest in the 38,080,000 shares held by Plutus Star Holding Pte. Ltd. by virtue of Section 4 of the Securities Futures Act and Section 7 of the Companies Act.	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships#		
Past (for the last 5 years)	Pacific Pharmacy Pte. Ltd. Pleasant Exports (India) LLP	Hitech Mining Asia Pte. Ltd.
Present	Pasture Pharma Pte Ltd Pacific Biosciences Pte Ltd Pasture PharmaHub Pte. Ltd. Plutus Star Holding Pte. Ltd. Pleasant Exports Pleasant Exports India Private Limited Medro Marketing and Consultancy Services Private Limited Yogiram Distributors Private Limited	Pristine Merit Sdn Bhd Nik Hussain Holdings Sdn Bhd Steadfast Project Management Sdn Bhd

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Prashanth Palepu	Lim Jit Soon
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</p>		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
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	<p>Yes. A compulsory winding-up application was made against Hightech Mining Asia Pte Ltd (“HMA”) by a creditor of HMA on the basis that HMA was unable to pay its debts. Following the winding-up application, a compulsory winding-up order was granted by the High Court of Singapore against HMA on 4 February 2022.</p> <p>Mr. Michael Lim was not the subject of the winding-up proceedings and Mr. Michael Lim did not hold any executive role in HMA and was not involved in the day-to-day operations of HMA.</p>
c) Whether there is any unsatisfied judgment against him?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Prashanth Palepu	Lim Jit Soon
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Prashanth Palepu	Lim Jit Soon
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: –</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p>	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Prashanth Palepu	Lim Jit Soon
<p>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</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No
<p>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?</p>	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Prashanth Palepu	Lim Jit Soon
Disclosure applicable to the appointment of Director only		
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Not applicable, as this relates to the re-election of a director.</p>	<p>Not applicable, as this relates to the re-election of a director.</p>

APPENDIX

APPENDIX DATED 14 OCTOBER 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN DOUBT AS TO ANY ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Appendix is circulated to the Shareholders of Pasture Holdings Ltd. (the “**Company**”) together with the Company’s annual report for the financial year ended 30 June 2024 (“**Annual Report**”), and its purpose is to explain to the Shareholders the rationale and provide information to the Shareholders for the proposed renewal of the IPT General Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting of the Company to be held at Singapore Recreation Club, Connaught Drive, B, Singapore 179682 on 29 October 2024 at 10.30 a.m..

If you have sold or transferred all your shares in the capital of the Company, you should immediately inform the purchaser or transferee or bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Appendix (together with the Notice of Annual General Meeting and the accompanying Proxy Form) may be accessed on SGXNET and the Company’s website at <https://pasturegroup.com/>.

This Appendix has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). This Appendix has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.



PASTURE HOLDINGS LTD.

(Company Registration Number 201731601W)
(Incorporated in the Republic of Singapore on 3 November 2017)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ GENERAL MANDATE FOR
INTERESTED PERSON TRANSACTIONS

APPENDIX

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DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated.

“AGM”	:	The annual general meeting of the Company to be held at Singapore Recreation Club, Connaught Drive, B, Singapore 179682 on 29 October 2024 at 10.30 a.m., notice of which is attached to the Annual Report
“Annual Report”	:	The annual report of the Company for FY2024 dated 14 October 2024
“FY2023 Annual Report”	:	The annual report of the Company for FY2023 dated 13 October 2023
“Appendix”	:	This appendix to the Annual Report dated 14 October 2024 issued by the Company to the Shareholders in relation to the proposed renewal of the IPT General Mandate
“Audit Committee”	:	The audit committee of the Company as at the date of this Appendix, comprising Mr. Lim Jit Soon, Ms. Low Su-Shing and Ms. Teo Kwee Yee
“Board” or “Board of Directors”	:	The board of Directors of the Company as at the date of this Appendix
“Catalist”	:	The Catalist of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Chief Executive Officer”	:	The chief executive officer of the Company, Mr. Soong Chin Kum Jonathan Lloyd
“Chief Financial Officer”	:	The chief financial officer of the Company or equivalent, Mr. Lee Quang Loong
“Company”	:	Pasture Holdings Ltd.
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Comparable Quotes”	:	Has the meaning ascribed to it in Section 2.5.6(a)(i) of this Appendix
“Comparable Sales”	:	Has the meaning ascribed to it in Section 2.5.6(b)(i) of this Appendix
“Constitution”	:	The constitution of the Company, as may be amended or modified from time to time

APPENDIX

“Directors”	:	The directors of the Company for the time being
“EAR Group”	:	The Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Catalist Rules
“FY”	:	The financial year ended or, as the case may be, ending 30 June
“FY2023 AGM”	:	The annual general meeting of the Company held on 31 October 2023
“Group”	:	The Company and its subsidiaries
“IPT General Mandate”	:	The general mandate from the Shareholders pursuant to Chapter 9 of the Catalist Rules to enable any or all members of the EAR Group, in the ordinary course of their business, to enter into Mandated Transactions with the Mandated Interested Persons which are necessary for its day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders
“IPT Register”	:	Has the meaning ascribed to it in Section 2.5.7(b) of this Appendix
“Mandated Interested Persons”	:	Pleasant Exports and Palepu Pharma (and each, a “Mandated Interested Person”)
“Mandated Transactions”	:	The categories of interested person transactions that fall within the scope of the IPT General Mandate and which are defined in Section 2.5.4 of this Appendix
“Non-Interested Directors”	:	The Directors who are considered to be independent for the purposes of the proposed renewal of the IPT General Mandate, being Mr. Soong Chin Kum Jonathan Lloyd, Ms. Claire Soong Jia Li, Mr. Lim Jit Soon, Ms. Teo Kwee Yee and Ms. Low Su-Shing
“NTA”	:	Net tangible assets
“Offer Document”	:	The offer document of the Company dated 31 May 2023 in relation to the listing and quotation of the Shares on the Official List of Catalist
“Palepu Pharma”	:	Palepu Pharma Private Limited
“Proposed Resolution”	:	Has the meaning ascribed to it in Section 1.1 of this Appendix
“Register of Members”	:	The Register of Members of the Company
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but not including a securities sub-account maintained with a Depository Agent
“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time

APPENDIX

“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained with CDP are credited with those Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“S\$”, “\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent”	:	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 SFA.

The expressions “**associate**”, “**associated company**”, “**subsidiary**”, “**controlling shareholder**” and “**substantial shareholder**” shall have the meaning ascribed to them respectively in the Companies Act and the Catalist Rules.

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, SFA or Catalist Rules or any statutory or regulatory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Companies Act, SFA or Catalist Rules or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

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

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

APPENDIX

LETTER TO SHAREHOLDERS

PASTURE HOLDINGS LTD.

(Company Registration Number 201731601W)
(Incorporated in the Republic of Singapore on 3 November 2017)

Board of Directors

Mr. Soong Chin Kum Jonathan Lloyd (Executive Chairman and Chief Executive Officer)
Ms. Claire Soong Jia Li (Alternate Director to Soong Chin Kum Jonathan Lloyd)
Mr. Prashanth Palepu (Non-Executive and Non-Independent Director)
Mr. Lim Jit Soon (Non-Executive Director and Lead Independent Director)
Ms. Teo Kwee Yee (Non-Executive and Independent Director)
Ms. Low Su-Shing (Non-Executive and Independent Director)

Registered Office

2 Corporation Road
#03-04/05
Corporation Place
Singapore 618494

14 October 2024

To: The Shareholders of Pasture Holdings Ltd.

Dear Sir / Madam

1. INTRODUCTION

1.1 AGM

The Board of Directors has on 14 October 2024 issued the Notice of AGM convening the AGM to be held on 29 October 2024 at 10.30 a.m. at Singapore Recreation Club, Connaught Drive, B, Singapore 179682 to seek Shareholders' approval for, *inter alia*, the proposed renewal of the IPT General Mandate (the "**Proposed Resolution**").

1.2 Appendix

The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Resolution.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Background and Renewal of the IPT General Mandate

Shareholders had at the FY2023 AGM on 31 October 2023, approved the renewal of the IPT General Mandate which will continue to remain in effect until the conclusion of the upcoming AGM of the Company to be held on 29 October 2024. The IPT General Mandate was first adopted from the date of the Company's admission of the Shares to the Official List of Catalist on 9 June 2023. The terms of the IPT General Mandate is set out in Appendix D of the Company's Offer Document. Accordingly, the Directors propose that the IPT General Mandate be renewed at the forthcoming AGM.

The IPT General Mandate enables the EAR Group, in the ordinary course of business, to enter into the Mandated Transactions with the Mandated Interested Persons which are necessary for the day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

2.2 Particulars of the IPT General Mandate to be Renewed

The nature of the Mandated Transactions and the classes of Mandated Interested Persons in respect of which the IPT General Mandate is sought to be renewed, remain unchanged since the FY2023 AGM. Particulars of the IPT General Mandate, including the rationale for the IPT General Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the Mandated Interested Persons, are set out in Section 2.5 of this Appendix.

2.3 Audit Committee's Confirmation

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices have not changed since the renewal of the IPT General Mandate which was last approved by the Shareholders at the Company's previous AGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the Mandated Transactions carried out thereunder will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

2.4 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which an "entity at risk" (as defined under Chapter 9 of the Catalist Rules) enters into or proposes to enter into with a party who is an "interested person" (as defined under Chapter 9 of the Catalist Rules). The purpose is to guard against the risk that an interested person could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

Pursuant to Rule 905 of the Catalist Rules, an issuer must make an immediate announcement of any interested person transaction of a value, equal to, or more than, 3.0% of the group's latest audited NTA. If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of the group's latest audited NTA, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during the financial year.

Pursuant to Rule 906 of the Catalist Rules, an issuer must obtain shareholders' approval for any interested person transaction of a value equal to, or more than:

- (a) 5.0% of the group's latest audited consolidated NTA; or
- (b) 5.0% of the group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Catalist Rules) 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.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000. Under Rules 905(5) and 906(4) of the Catalist Rules, 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 (1) transaction in accordance with Rule 902 of the Catalist Rules.

Pursuant to Rule 909 of the Catalist Rules, the value of a transaction is the amount at risk to the listed company. This is illustrated by the following examples:

- (a) in the case of a partly-owned subsidiary or associated company, the value of the transaction is the listed company's effective interest in that transaction;

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- (b) in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk;
- (c) in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan; and
- (d) in the case that the market value or book value of the asset to be disposed of is higher than the consideration from an interested person, the value of the transaction is the higher of the market value or book value of the asset.

Based on the audited consolidated financial statements of the Group for FY2024, the consolidated NTA of the Group was US\$4,387,000. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Catalist Rules, in the current financial year and until the audited consolidated financial statements of the Group for FY2025 are published, 5.0% of the Group's latest audited consolidated NTA would be US\$219,350.

For the purposes of Chapter 9 of the Catalist Rules:

- (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 as Chapter 9;
- (b) an **"associate"** means:
 - (i) in relation to an interested person who is a director, chief executive officer or controlling shareholder (being an individual), an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the interested person or his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the interested person and his immediate family has or have an aggregate interest (directly or indirectly) of 30.0% or more; and
 - (ii) in relation to an interested person who is a controlling shareholder (being a corporation), any other company which is its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30.0% or more;
- (c) an **"associated company"** means a company in which at least 20.0% but not more than 50.0% of its shares are held by the listed company or group;
- (d) 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 company and/or its subsidiaries (the "listed group"), or the listed group and its interested person(s), has control over the associated company;

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

The SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into or proposes to enter into (i) a transaction with an entity at risk; and (ii) an agreement or arrangement with an interested person in connection with that transaction;

- (f) a “**primary interested person**” means a director, chief executive officer or controlling shareholder of the listed company;

- (g) an “**interested person transaction**” means a transaction between an entity at risk and an interested person;

- (h) a “**transaction**” includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of goods or services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether or not entered into directly or indirectly; and

- (i) in interpreting the term “**same interested person**” for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905 and 906 of Chapter 9 of the Catalist Rules, the following applies:

- (i) transactions between (A) an entity at risk and a primary interested person; and (B) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.

Transactions between (1) an entity at risk and a primary interested person; and (2) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person; and

- (ii) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and have audit committees whose members are completely different.

2.5 Renewal of the IPT General Mandate

2.5.1 Introduction

The Company anticipates that the EAR Group would, in the ordinary course of business, continue to enter into certain transactions with its interested persons (as such term is defined in the Catalist Rules), including but not limited to those categories of transactions described below. In view of the time-sensitive and recurrent nature of commercial transactions, it would be advantageous for the Company to obtain a renewal of the IPT General Mandate from its Shareholders to enter into the Mandated Transactions with

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the Mandated Interested Persons in the EAR Group's ordinary course of business, which are necessary for the day-to-day operations of the EAR Group, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Chapter 9 of the Catalist Rules allows a listed company to obtain a mandate from its shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of its day-to-day operations.

The renewal of the IPT General Mandate, if approved, will take effect from the passing of the ordinary resolution relating thereto, and will continue in force until the conclusion of the next annual general meeting of the Company (unless revoked or varied by the Company in general meeting). Approval from Shareholders will be sought for the renewal of the IPT General Mandate at the next annual general meeting (or extraordinary general meeting following such annual general meeting) and each subsequent annual general meeting (or extraordinary general meeting following such annual general meeting) of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Mandated Transactions.

2.5.2 *Entities at Risk*

For the purposes of the IPT General Mandate, an “**Entity at Risk**” means:

- (a) the Company;
- (b) a subsidiary of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); and
- (c) an associated company of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Group, or the Group and its interested person(s), has or have control.

(collectively, the “**EAR Group**”).

2.5.3 *Classes of Mandated Interested Persons*

The IPT General Mandate will apply to the transactions that are carried out between any Entity at Risk and the following entities:

- (a) Pleasant Exports; and
- (b) Palepu Pharma,

(collectively, the “**Mandated Interested Persons**” and each, a “**Mandated Interested Person**”, all being “interested persons” as defined in the Catalist Rules).

Mr. Prashanth Palepu, a Non-Executive and Non-Independent Director of the Company, together with his immediate family, namely Mr. Srinivasa Gopal Palepu and Mr. Pranay Palepu, hold the entire issued share capital of Pleasant Exports. Accordingly, Pleasant Exports is an associate of Mr. Prashanth Palepu and an interested person. Additionally, Mr. Srinivasa Gopal Palepu, who is a controlling shareholder of the Company, together with his immediate family, hold in aggregate 40.0% of the share capital of Palepu Pharma. Accordingly, Palepu Pharma is an associate of Mr. Srinivasa Gopal Palepu and an interested person.

Transactions between the Mandated Interested Persons and the Group which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules. In particular, if such a transaction, when aggregate with other transactions entered into with the same interested person during the same financial year, is equal to or more than 5.0% of the Group's latest audited NTA, such transaction will be subject to Shareholders' approval before they can be entered into.

2.5.4 *Categories of Mandated Interested Person Transactions*

The types of transactions with the Mandated Interested Persons to which the IPT General Mandate will apply are:

- (a) the purchase of pharmaceutical products by the Group from the Mandated Interested Persons; and
- (b) the sale of masks and medical supplies by the Group to the Mandated Interested Persons,

(the "Mandated Transactions").

The IPT General Mandate covers only such recurrent Mandated Transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, which are entered into in the ordinary course of business. For the avoidance of doubt, any purchase or sale of any assets, undertakings or businesses are not covered under the IPT General Mandate.

The IPT General Mandate does not cover any transaction by any member of the Group with the Mandated Interested Persons where such transaction is below S\$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Catalist Rules would not apply to such transactions. Under Rules 905(5) and 906(4) of the Catalist Rules, 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 (1) transaction in accordance with Rule 902 of the Catalist Rules.

2.5.5 *Rationale for and Benefits of the IPT General Mandate*

Pleasant Exports has been one of the Group's suppliers for quality pharmaceutical products since the establishment of the Group in 1996, even prior to the shareholders of Pleasant Exports becoming controlling shareholders of the Company. Pleasant Exports has a strong track record of supplying a wide variety of pharmaceutical products as it has established an extensive network to procure from reputable and reliable drugs manufacturers and pharmaceutical companies based in India, which is a key pharmaceutical manufacturing hub in the world. Accordingly, the IPT General Mandate would enable the EAR Group to tap on the extensive network of Pleasant Exports and obtain quality pharmaceutical products on normal commercial terms from a reliable source, being Pleasant Exports, in the normal course of business of the EAR Group.

Although the Group did not sell any masks and medical supplies to Pleasant Exports during FY2024, given that Pleasant Exports has a strong presence and extensive outreach in India, the EAR Group intends to also tap on Pleasant Exports' extensive network to expand the Group's clientele base for the distribution of its masks and medical supplies, in the normal course of business of the EAR Group. Palepu Pharma is one of the largest distributors in the state of Tamil Nadu, India and engaged in the procurement, wholesale and supply of pharmaceutical products since its establishment in 1960. While the Group did not transact with Palepu Pharma during FY2024, it is envisaged that the EAR Group will sell masks and

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medical supplies to Palepu Pharma in the near future to tap on Palepu Pharma's strong presence and extensive network, particularly in respect of the retail and hospital-based pharmacies in India, and as part of the Group's plan to expand its clientele base for the distribution of the Group's masks and medical supplies in the ordinary course of business.

The IPT General Mandate is intended to facilitate transactions which are transacted from time to time between the EAR Group and the Mandated Interested Persons, provided that they are carried out at arm's length and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders. The EAR Group will benefit from having access to competitive quotes from the Mandated Interested Persons in addition to obtaining quotes from, or transacting with, non-Mandated Interested Persons for the purchase of pharmaceutical products as well as having more sales channels for the sale of the Group's masks and medical supplies. Given the nature of the Group's business, it is envisaged that the Mandated Transactions are likely to occur from time to time, in the ordinary course of business.

The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek Shareholders' prior approval as and when potential Mandated Transactions with the Mandated Interested Persons arise, thereby saving substantial administrative time and costs expended in convening such meetings, without compromising the corporate objectives of the EAR Group and adversely affecting the business opportunities available to the EAR Group.

In accordance with the requirements of Chapter 9 of the Catalist Rules, the Company will (a) disclose in its annual report the aggregate value of transactions conducted with the Mandated Interested Persons pursuant to the IPT General Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with the Mandated Interested Persons pursuant to the IPT General Mandate for the financial periods that the Company is required to report on pursuant to Rule 705 of the Catalist Rules within the time required for the announcement of such report.

2.5.6 *Review Procedures for Mandated Transactions with Mandated Interested Persons*

To ensure that Mandated Transactions with the Mandated Interested Persons are undertaken (a) at arm's length basis and on normal commercial terms consistent with the Group's usual business practices and on terms which are generally not more favourable to the Mandated Interested Persons than those extended by the Group to unrelated third-parties or not less favourable to the Group than those extended by unrelated third-parties to the Group; or (b) in any event on terms no less favourable to the Group than prevailing open market rates, and will not be prejudicial to the interests of the Company and its minority Shareholders, the Group will adopt the following procedures for the review and approval of Mandated Transactions under the IPT General Mandate:

- (a) The following procedures will be adopted for the purchase of pharmaceutical products by the EAR Group from the Mandated Interested Persons:
 - (i) Before any purchase of pharmaceutical products from any Mandated Interested Person, quotations from at least two (2) unrelated third-party suppliers for the same or similar types of pharmaceutical products will be obtained for comparison wherever appropriate and practicable ("**Comparable Quotes**"). In general, the Group will only purchase pharmaceutical products from the Mandated Interested Person if the Group is satisfied that the purchase price of such pharmaceutical products to be paid by the EAR Group to the Mandated Interested Person is not higher than the most competitive quote of

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the Comparable Quotes, after taking into account relevant factors such as the track record of the suppliers, the availability and delivery schedule, the relevant certification (if applicable, in particular for new pharmaceutical products), expiry dates and any other relevant factors.

- (ii) In the event that two (2) Comparable Quotes are not available (for instance, there are no unrelated third-party suppliers of similar products, or only one (1) Comparable Quote was obtained, or if the product is a proprietary item distributed only by the Mandated Interested Person), the Group will request for two (2) recent transaction documents from the Mandated Interested Person for the sale of the same or substantially similar products by the Mandated Interested Person to its unrelated third-party customers, as the basis for comparison to determine whether the prices and terms offered by the Mandated Interested Person are on normal commercial terms and not less favourable to the EAR Group as compared to those offered by the Mandated Interested Person to its unrelated third-party customers.
 - (iii) In the event that the Mandated Interested Person is unable to share the relevant transaction documents with the Group for the above comparison purposes, the Chief Executive Officer or the Chief Financial Officer or, in the event the Chief Executive Officer and the Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person, an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the transaction) will determine whether the prices and terms offered by the Mandated Interested Person are in accordance with the Group's usual business practices and pricing policies or industry norms, on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders after taking into account factors such as the historical rates or prices paid by the Group for the same or substantially similar products, credit terms, strategic purposes of the transaction and any other relevant factors. The Chief Executive Officer, the Chief Financial Officer and/or other officer of similar or equivalent rank may, if they deem fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, or require additional review by the Group's internal auditors in respect of the Mandated Transactions.
- (b) The following procedures will be adopted for the sale of masks and medical supplies by the EAR Group to the Mandated Interested Persons:
- (i) Before any sale of masks and/or medical supplies by the EAR Group to the Mandated Interested Person, the Group will compare the quotation to be given to the Mandated Interested Person with at least two (2) recent successful sales of the same masks and/or medical supplies by the EAR Group to its unrelated third-party customers ("**Comparable Sales**"). In general, the Group will only transact with the Mandated Interested Person if the Group is satisfied that the selling price of such masks and/or medical supplies by the EAR Group to the Mandated Interested Person is not lower than the most competitive selling price of the Comparable Sales after taking into account relevant factors such as the credit terms granted for the sale, freight charges, the volume of sale and any other relevant factors.
 - (ii) In the event that Comparable Sales are not available (for instance, when the Mandated Interested Person requests for customised packaging for sale in their territories), the Chief Executive Officer or the Chief Financial Officer or, in the event the Chief Executive Officer and the Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested

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Person, an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the transaction) will determine whether the prices and terms offered to the Mandated Interested Person are in accordance with the Group's usual business practices and pricing policies or industry norms, on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders after taking into account factors such as the gross profit as well as the gross profit margin to be generated by the Group from the sale such that the Group's gross profit margin will not be adversely affected by the sale. The Chief Executive Officer, the Chief Financial Officer and/or other officer of similar or equivalent rank may, if they deem fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, or require additional review by the Group's internal auditors in respect of the Mandated Transactions.

- (c) The following approval thresholds will apply to the Mandated Transactions generally:
- (i) All Mandated Transactions will be subject to review and prior approval by the Chief Executive Officer or the Chief Financial Officer or, in the event the Chief Executive Officer and the Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person, an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the transaction).
 - (ii) In respect of the purchase of pharmaceutical products by the EAR Group from the Mandated Interested Persons, where the value of such Mandated Transactions (either individually or cumulative during the same financial year) is equal to or exceeding 3.0% of the value of the Group's latest audited NTA, such Mandated Transaction(s) will be subject to the review and prior approval of the Audit Committee.
 - (iii) In respect of sale of masks and/or medical supplies by the EAR Group to the Mandated Interested Persons, where the value of such Mandated Transactions (either individually or cumulatively during the same financial year) is equal to or exceeding 3.0% of the value of the Group's latest audited NTA, such Mandated Transaction(s) will be subject to the review and prior approval of the Audit Committee.
 - (iv) For the avoidance of doubt, Mandated Transactions which have already been reviewed and approved by the Audit Committee will not be included in such calculations.
 - (v) In the event that a member of the Audit Committee has an interest in the Mandated Transaction(s), or is a nominee for the time being of any of the Mandated Interested Persons (or its associates), or if he/she also serves as a director on the board of directors of any of the Mandated Interested Persons, he/she shall abstain from participating in the review and approval process of the Audit Committee in relation to such Mandated Transaction.

Any transaction to be entered into under the IPT General Mandate shall only be approved by the above approving authority if the transaction is carried out at arm's length and on normal commercial terms, in accordance with the methods and procedures outlined in Section 2.5.6(a) and Section 2.5.6(b) of this Appendix, and the basis on which the transactions are entered into are properly documented in the IPT Register, accompanied with supporting documents. For the purposes of Section 2.5.6(a)(i) and Section 2.5.6(a)(ii) above, the value of a transaction shall be determined based on the full contract value at the time of entry into the transaction.

2.5.7 *Additional Guidelines and Review Procedures*

In addition to the guidelines and review procedures set out above, the Group will implement the following additional guidelines to ensure that the Mandated Transactions carried out under the IPT General Mandate are undertaken at arms' length basis and on normal commercial terms:

- (a) The Company will maintain a register of interested persons and their associates (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons shall be reviewed on a semi-annual basis by the Chief Financial Officer and subject to such verifications or declarations as required by the Audit Committee for such period as determined by them. This list of interested persons shall be disseminated to any staff of the Group that the Group's finance team considers relevant for the purposes of entering into transactions that fall under the IPT General Mandate.
- (b) The Company will maintain a register of all interested person transactions (including the Mandated Transactions) carried out with interested persons (including with the Mandated Interested Persons) (including the bases on which the interested person transactions are entered into, amount, nature, material terms and conditions and supporting evidence and quotations obtained to support such bases) (the "**IPT Register**") by the Group's finance team, which shall be reviewed by the Chief Financial Officer on a monthly basis. The IPT Register will also record any interested person transactions that are below S\$100,000 in value, although such transactions are not required to be aggregated under Chapter 9 of the Catalist Rules.
- (c) The Audit Committee will review all Mandated Transactions (except where Mandated Transactions are required under the methods and procedures of the IPT General Mandate to be approved by the Audit Committee prior to the entry thereof) at least on a semi-annual basis, or such other frequency as deemed necessary, to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, or require additional review by the Group's internal auditors in respect of the Mandated Transactions.
- (d) The annual internal audit plan will incorporate a review of the Mandated Transactions entered into, pursuant to the IPT General Mandate to ensure that the methods and procedures in respect of the Mandated Transactions have been adhered to. The Group's internal auditors will report to the Audit Committee annually and highlight any discrepancies or significant variances from the established methods and procedures for the Mandated Transactions to the Audit Committee.
- (e) The Audit Committee will also review, at least on a semi-annual basis, or such other frequency as deemed necessary, such methods and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the EAR Group and the Mandated Interested Persons are conducted at arm's length and on normal commercial terms. If, during any of the reviews by the Audit Committee, the Audit Committee is of the view that the methods and procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Persons are conducted, it will, in consultation with the Board,

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take such actions as it deems proper in respect of such methods and procedures and/or modify or implement such methods and procedures as may be necessary to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, and the Company will revert to Shareholders for a fresh general mandate based on new methods and procedures so that the Mandated Transactions will be carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. In the interim, the Audit Committee will review every Mandated Transaction pending the grant of the fresh mandate, which will be in accordance with the requirements of the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules (as may be amended, modified or supplemented from time to time).

- (f) The Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules (in particular, Chapter 9 thereof) and relevant accounting standards, are complied with. The Company will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

The additional guidelines and review procedures for the Mandated Transactions above remain the same as those disclosed in the Offer Document and in the appendix of the FY2023 Annual Report.

2.5.8 Review of Non-Mandated Interested Person Transactions and Review by the Audit Committee

All other existing and future interested person transactions not subject to the IPT General Mandate will be reviewed and approved in accordance with the threshold limits as set out under Chapter 9 of the Catalist Rules, to ensure that they are carried out on normal commercial terms and arm's length basis, and are not prejudicial to the interests of the Company and its minority Shareholders. In the event that such interested person transactions require the approval of the Board and the Audit Committee, the relevant information will be submitted to the Board and the Audit Committee for review. In the event that such interested person transactions require the approval of the Shareholders, additional information may be required to be presented to Shareholders and an independent financial adviser may be appointed for an opinion.

In the review of all future interested person transactions not subject to the IPT General Mandate, the following procedures will be applied:

- (a) In relation to any purchase of products or procurement of services by the Group from any interested persons, the Group will obtain or procure additional quotations from at least two (2) unrelated third-party suppliers in respect of the same or substantially the same type of product or service to be used as comparison wherever possible. The purchase price or procurement fee shall not be less favourable than the most competitive price of the two (2) comparative prices from unrelated third-party suppliers.
- (b) In relation to any sale of products or provision of services by the Group to interested persons, the Group will compare the price or fee quoted to the interested person with at least two (2) recent completed transactions of the same or substantially the same nature entered by the Group with unrelated third-party customers wherever possible. The price or fee for the sale of products or the provision of services shall not be more favourable to the interested persons than those charged by the Group for the recently completed transactions with unrelated third-party customers.

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- (c) When renting properties from or to an interested person, the Audit Committee shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including obtaining an independent valuation report by a property valuer and/or making relevant enquiries with landlords of similar properties (where available). The rent payable shall be based on the most competitive market rental rate of similar properties in terms of size and location, based on the results of the relevant enquiries.
- (d) In the event that it is not possible for appropriate information (for comparative purposes) to be obtained and given that the products or services may be purchased only from an interested person, the Audit Committee will determine whether the price, fees and/or the other terms offered by or to the interested persons are in accordance with usual business practices and pricing policies and consistent with the usual margins and/or terms to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken on an arm's length basis and on commercial terms.
- (e) The following thresholds also apply:
 - (i) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of the Group's latest audited NTA will be subject to review by the Audit Committee at least on a semi-annual basis, or such other frequency as deemed necessary;
 - (ii) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the Group's latest audited NTA will be subject to the review and prior approval of the Audit Committee. Such approval shall only be given if the transactions are on an arm's length basis and on normal commercial terms and are consistent with similar types of transactions made with non-interested parties; transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of the Group's latest audited NTA will be reviewed and approved by the Audit Committee and the independent Shareholders, prior to the carrying out of such transactions; and
 - (iii) in the review of such interested person transactions, the Audit Committee may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers.

The IPT Register will be maintained to record all interested person transactions (including the bases on which they are entered into, amount, nature, material terms and conditions and supporting evidence and quotations obtained to support such bases). The Audit Committee will review all interested person transactions (other than those already pre-approved by the Audit Committee or the independent Shareholders) at least on a semi-annual basis, or such other frequency as deemed necessary, to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee. The Audit Committee may request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers as it deems fit.

APPENDIX

In addition, the Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules (in particular, Chapter 9 thereof) and relevant accounting standards, are complied with. The Company will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

The annual internal audit plan will incorporate a review of all interested person transactions entered into. The Audit Committee will review internal audit reports to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with. In addition, the Audit Committee will also review at least on a semi-annual basis, or such other frequency as deemed necessary, such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the Group and its interested persons are conducted on arm's length commercial terms. In the event that a member of the Audit Committee is interested in any interested person transaction, he/she will abstain from reviewing that particular transaction.

The Company will also disclose the aggregate value of interested person transactions conducted during the current financial year in the annual report, including the name of the interested person, nature of relationship and the corresponding aggregate value of the interested person transactions entered into with the same interested person.

The review procedures for all other existing and future interested person transactions not subject to the IPT General Mandate remain the same as those disclosed in the Offer Document and in the appendix of the FY2023 Annual Report.

3. DIRECTORS' RECOMMENDATIONS

Mr. Prashanth Palepu, a Non-Executive and Non-Independent Director of the Company, together with his immediate family, namely Mr. Srinivasa Gopal Palepu and Mr. Pranay Palepu, hold the entire issued share capital of Pleasant Exports. Additionally, Mr. Prashanth Palepu is the chief operating officer of Palepu Pharma. Accordingly, Mr. Prashanth Palepu will abstain from making any recommendation to Shareholders on the proposed renewal of the IPT General Mandate in his capacity as a Director.

The Non-Interested Directors, having considered, *inter alia*, the scope, procedures, rationale and benefits of the IPT General Mandate, are of the opinion that the proposed renewal of the IPT General Mandate is in the best interests of the Company and its Shareholders. Accordingly, the Non-Interested Directors recommend that the Shareholders **VOTE IN FAVOUR** of Ordinary Resolution 8 in relation to the proposed renewal of the IPT General Mandate.

The Chairman of the AGM will accept appointment as proxy for any Shareholder to vote in respect of Ordinary Resolution 8 relating to the proposed renewal of the IPT General Mandate where such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting, in respect of such ordinary resolution.

4. ANNUAL GENERAL MEETING

4.1 Date and Time of the AGM

The AGM will be held at Singapore Recreation Club, Connaught Drive, B, Singapore 179682 on 29 October 2024 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolutions set out in the Notice of AGM dated 14 October 2024 which is attached to the Annual Report.

4.2 When Depositor Regarded as Shareholder

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the AGM.

5. ABSTENTION FROM VOTING

Mr. Prashanth Palepu, Mr. Pranay Palepu and Mr. Srinivasa Gopal Palepu hold 25.0%, 25.0% and 50.0% of the issued and paid-up share capital of Plutus Star Holding Pte. Ltd., respectively. Accordingly, in accordance with Rule 920(1)(b)(viii) of the Catalist Rules, Plutus Star Holding Pte. Ltd. will abstain, and has undertaken to ensure that it and its associates will abstain, from voting at the AGM in respect of Ordinary Resolution 8 relating to the proposed renewal of the IPT General Mandate, and that its associates will not accept appointments as proxies in relation to the Proposed Resolution unless specific instructions as to voting are given. The Company will disregard any votes cast on a resolution by the persons required to abstain from voting.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof may be inspected at the registered office of the Company at 2 Corporation Road, Corporation Place #03-04/05, Singapore 618494 during normal business hours from the date of this Appendix up to and including the date of the AGM:

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

The Annual Report may also be accessed on SGXNET at the following URL: <https://www.sgx.com/securities/company-announcements> and is also available on the Company's website at the following URL: <https://pasturegroup.com/>.

Yours faithfully

By order of the Board of Directors of
PASTURE HOLDINGS LTD.

Peck Jen Jen
Company Secretary
14 October 2024

PASTURE HOLDINGS LTD.

(Company Registration No.: 201731601W)
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

Important

- For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Pasture Holdings Ltd. (the "Company"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective agent banks if they have any queries regarding their appointment as proxies.
- 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 Annual General Meeting dated 14 October 2024.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies).

I/We _____ (Name) NRIC/Passport No _____

of _____ (Address)

being a member(s) of Pasture Holdings Ltd. (the "Company"), hereby appoint: -

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

and/or (delete as appropriate)

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

or failing whom, the Chairman of the Annual General Meeting of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at **Singapore Recreation Club, Connaught Drive, B, Singapore 179682 on Tuesday, 29 October 2024 at 10.30 a.m.** and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain the Resolutions proposed at the Annual General Meeting as indicated hereunder.

If no specific direction as to voting is given or in the event of any other matter arising at the Annual General Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. All resolutions put to the vote at the Annual General Meeting shall be decided by way of poll.

(If you wish to exercise all your votes "For", "Against" or "Abstain", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Ordinary Resolutions	For	Against	Abstain
Ordinary Business				
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Directors' Statement and Independent Auditors' Report thereon.			
2.	Approval of the payment of Directors' fees of up to S\$144,000.00 for the financial year ending 30 June 2025, to be paid half-yearly in arrears.			
3.	Re-election of Mr Prashanth Palepu pursuant to Regulation 111 of the Company's Constitution.			
4.	Re-election of Mr Lim Jit Soon pursuant to Regulation 111 of the Company's Constitution.			
5.	Re-appointment of Messrs RSM SG Assurance LLP as auditors of the Company.			
Special Business				
6.	Authority to allot and issue shares and convertible securities.			
7.	Authority to issue shares under Pasture Share Performance Plan.			
8.	Renewal of the Shareholders' General Mandate for Interested Person Transactions			

Dated this _____ day _____ 2024

Total Number of Shares Held

Signature(s) of Member(s) or
Common Seal of Corporate Member

** Delete accordingly*

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



Notes:-

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
2. A proxy need not to be a member of the Company.
3. Please insert the total number of shares of the Company ("**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), 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 or proxies shall be deemed to relate to all the Shares held by you.
4. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote at his discretion.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. 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 of proxy.
6. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either: -
 - (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place #26-01 Republic Plaza Singapore 048619; or
 - (b) if submitted electronically, be submitted via contact@pasturegroup.com.in either case, by **10.30 a.m. on 26 October 2024**, being not less than seventy-two (72) hours before the time appointed for holding the Meeting (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.
7. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
8. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
9. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.
10. "Relevant intermediary" means:
 11. a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 12. a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 13. the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
 14. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.
15. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

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 14 October 2024.



Pasture[®]
Holdings

PASTURE HOLDINGS LTD.
(COMPANY REGISTRATION NO.: 201731601W)
(INCORPORATED IN THE REPUBLIC OF SINGAPORE ON
3 NOVEMBER 2017)

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