ANNUAL REPORT

2022

PACIFIC STAR
DEVELOPMENT LIMITED

CORPORATE PROFILE

Pacific Star Development Limited ("**PSDL**" or the "**Company**" and together with its subsidiaries, the "**Group**") is a premier property developer with an established track record in the development and investment of prime integrated mixed-use and residential developments in key gateway cities across ASEAN.

With over a decade in real estate investment management experience as well as a solid background in development management, the Group counts the highly successful mixed-use project, Pavilion, in Kuala Lumpur within its portfolio of past projects. Its current property portfolio comprises the award-winning mixed-use development, Puteri Cove Residences and Quayside, in Iskandar Puteri, Malaysia, where the residences have been sold to buyers of over 26 different nationalities.

For more information, please visit www.pacificstar-dev.com.

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This Annual Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").

This Annual Report 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 Annual Report including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr David Yeong, SAC Capital Private Limited at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542. Telephone number: +65 6232 3210.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the board of directors (the "**Board**") of Pacific Star Development Limited ("**PSDL**" or the "**Company**", and together with its subsidiaries, the "**Group**"), it is my pleasure to present to you PSDL's Annual Report for the financial year ended 30 June 2022 ("**FY2022**").

FY2022 – WE MADE IT THROUGH

When there were doubters who presumed that we could not make it through the harsh economic winter during COVID-19, our management team (the "**Management**") never gave up. We believed that PSDL had and continues to have the support from our contractors, creditors, government agencies in Malaysia, shareholders and lenders. Without each and every one of you, I would not have the opportunity to pen this update.

With your faith, confidence and trust, Management had the fundamental basis and opportunity to execute its plans with the objective of resolving the Group's crisis that started in financial year 2020. This would not have been possible if any party or stakeholder did not believe Management's vision that was stacked against the odds. On behalf of all the employees and stakeholders of the Group, please accept my sincere and unreserved bow of appreciation.

In the Chairman's Statement in our Annual Report for the previous financial year ended 30 June 2021, we informed shareholders of our plans for FY2022. A summary of these plans is set out below.

Key targets	Outcome
• Soliciting continued support from creditors to work towards mutually acceptable schedules of payment	✓ With the indulgences and support provided by our creditors, including government agencies, the Lenders (defined in the financial statements), the Bank (defined in the financial statements) and new third party investors, the Group was able to discharge its various payment obligations in an orderly manner, thereby avoiding the worst outcome.
• To monetise all the unsold Puteri Cove Residences and Quayside ("**PCR**") units in an orderly manner.	✓ Although the Group was not able to conclude any bulk sale during FY2022, it managed to increase the number of PCR units recognised as revenue in FY2022. This, as well as new sale and purchase agreements in the pipeline, bear testimony to the quality and value-for-money position of PCR amidst the challenging property market in Iskandar Puteri and overall macroeconomic difficulties.
• To achieve a long-term solution for the Group, with the interests of all our stakeholders in mind, amidst the plethora of challenges brought on by COVID-19.	o Although the Group has yet to materialise the long-term solution as envisaged, Management is working on the interim steps for this overall vision. Progress is being made and the Group is moving positively in the right direction.

The Board and Management are clearly aware of the concerns of all stakeholders of the Group. As professionals, it is our responsibility to work towards the best outcome despite all the challenges that the Group is facing. Rest assured that we will put in our utmost efforts to work towards a long-term, viable resolution for the issues faced by the Group. On the strength of our incremental and progressive steps, we are striving towards a new chapter for the Group.

CHAIRMAN'S STATEMENT


Sky Pool Area

SPRING IS ROUND THE CORNER

Through the battles against the odds in FY2022, Management has taken some casualties in its team. The time pressures and stress of work under such demanding conditions, as well as changing personal priorities for some of our colleagues, have resulted in the Group parting ways with some of our key management staff. The Group expresses its deepest appreciation to these staff. Without their contributions, we could not have survived the metaphorical winter.

On the positive side, Management has been supplemented with new and energetic team members who bring to the fore unique capabilities. These new team members believe in the Group's vision and have earnestly joined our ranks to serve the Group's stakeholders. This places the Group in a better position to deliver on the envisaged long-term positive outcome for all our stakeholders.

The financial year ending 30 June 2023 will be a watershed year. Time continues to be a formidable foe. It is not in our favour in view of the ongoing suspension of the trading of the Company's shares on the Singapore Exchange Securities Trading Limited since 24 March 2020 and the Group's high interest burden. Notwithstanding this, the mottos that best describe the resolve of the Board and Management are "Who Dares Wins" and the "The Only Easy Day Was Yesterday", both borrowed from the British Special Air Service and the Navy Seals of the United States of America respectively.

WE ARE ONE

On behalf of the Board, I would like to take this opportunity to express our heartfelt appreciation for the Lenders, the Bank, creditors and all stakeholders for their unfailing support and trust throughout the course of this difficult financial year. I also wish to extend my gratitude to my fellow Board members, Management and our staff for their commitment and engagement.

YING WEI HSEIN
EXECUTIVE CHAIRMAN
15 December 2022

OPERATIONS & FINANCIAL REVIEW

INCOME STATEMENT

REVENUE AND GROSS PROFIT

The Group's revenue for the financial year ended 30 June 2022 ("**FY2022**") increased by $2.55 million from $1.71 million for the financial year ended 30 June 2021 ("**FY2021**") to $4.26 million for FY2022. This was largely attributable to the increase in Puteri Cove Residences ("**PCR**") units recognised as revenue during FY2022 as compared to FY2021. The Group's cost of sales for FY2022 increased in tandem with the increase in revenue.

The Group achieved a gross profit of $0.33 million in FY2022 as compared $0.70 million in FY2021. The gross profit margin for FY2022 was lower as compared to FY2021 as a result of higher cost of selling the PCR units which were recognised as revenue.

OTHER OPERATING INCOME

Other operating income decreased by $0.20 million from $0.54 million in FY2021 to $0.34 million in FY2022. The reduction was largely attributable to a $0.11 million reduction in government grants.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by $2.79 million from $6.02 million in FY2021 to $8.81 million in FY2022. This increase was largely attributable to $0.64 million of professional fees incurred in relation to the amendment and restatement of the OCP-TPG Loan as well as the preparation of the definitive agreements pertaining to the OCP-PDD Loan and S$1.74 million increase in foreign exchange losses due to the depreciation of Malaysian Ringgit against Singapore Dollar.

OTHER EXPENSES

Other expenses reduced by $6.06 million from $6.15 million in FY2021 to $0.09 million in FY2022. The decrease in other expenses was primarily due to a $4.39 million reduction in write-down of development properties, a $1.17 million reduction of effects of cancellation of sale and purchase agreements for PCR units, a $0.34 million reduction in adjudication costs and related expenses and a $0.17 million reduction in penalties and fines.

FINANCE COSTS

Finance costs increased by $21.40 million from $20.54 million in FY2021 to $41.94 million in FY2022. The increase was largely due to a $21.67 million increase in interest for the OCP-TPG Loan and OCP-PDD Loan (the "**Loans From Lenders**") which was partially offset by a $0.12 million decrease in bank loan interest and a $0.16 million decrease in interest to contractors, creditors and an affiliate of a group of lenders (the "**Lenders**").

The $21.67 million increase in interest for Loans From Lenders was largely attributable to:

(i) a $7.0 million one-time additional interest resulting from the retroactive application of 25% per annum interest from 1 January 2021 pursuant to the amended and restated OCP-TPG Loan. The OCP-TPG Loan which was originally due on 28 December 2020, was amended and restated on 1 October 2021 with, amongst others, the maturity date extended to 5 October 2023. Pursuant to the amendment and restatement agreement with the Lenders, the Group contracted to apply a 25% per annum interest retroactively from 1 January 2021 to 29 October 2021;

(ii) a $12.03 million increase in interest resulting from the higher principal due under the amended and restated OCP-TPG Loan. Pursuant to the amendment and restatement agreement for the OCP-TPG Loan, the original principal of $72 million due under the original $70 million loan agreement signed on 24 December 2018 and the $2 million loan amendment agreement signed on 30 June 2021 together with all the capitalised interest pertaining to both loans were consolidated, resulting in an aggregated principal of $115,936,357 which bore a higher interest rate of 25% per annum; and

(iii) a $2.64 million increase in interest pursuant to the drawdown of the OCP-PDD Loan.

OPERATIONS & FINANCIAL REVIEW

SHARE OF RESULTS OF JOINT VENTURE AND ASSOCIATE

The investments in joint venture and associate was in relation to the Group's investment in Kanokkorn Pattana Co., Ltd ("**KNK**"), the property development company for the Posh 12 project in Bangkok, Thailand, which was placed under bankruptcy proceedings in June 2020 (the "**KNK Bankruptcy**").

The share of losses of joint venture and associate for FY2022 relates to the funding provided by the Group in relation to KNK Bankruptcy and the maintenance of the live status of the associate respectively.

The share of results of joint venture and associate for FY2021 pertains to the funding provided by the Group to see through KNK Bankruptcy and the sales and purchase agreement with a buyer (as announced on 17 September 2020) for the proposed disposal of KNK which had been cancelled on 26 January 2021 as announced on the same date.

NET LOSS FOR FY2022

The Group recorded a net loss after tax of $50.31 million in FY2022 as compared with $32.00 million in FY2021. The $18.31 million increase in net loss after tax was largely attributable to a $21.40 million increase in finance costs, a $2.79 million increase in administrative expenses, $0.37 million reduction in gross profit and a $0.2 million reduction in other income, which were partially offset by a $6.06 million reduction in other expenses and a $0.39 million reduction of shares of results of joint venture and associate.

BALANCE SHEET

ASSETS

The non-current assets of the Group decreased by $0.39 million from $0.49 million as at 30 June 2021 to $0.10 million as at 30 June 2022. The decrease was largely due to a $0.17 million depreciation expense on right-of-use assets and a $0.20 million reduction in deferred costs. The reduction in deferred costs arose due to a reversal of accrued renovation subsidy as a result of the cancellation of a tenancy agreement for the lease of retail space at PCR as well as reclassification of deferred costs to be amortised within the next twelve (12) months from 30 June 2022 as current asset.

The current assets of the Group decreased by $3.67 million from $132.15 million as at 30 June 2021 to $128.48 million as at 30 June 2022. The decrease was due largely to a $6.41 million net reduction in development properties, arising mainly from PCR units sold which were and recognised as cost of sales, a $0.18 million reduction in trade receivables due to routine collections and a $0.15 million reduction in other receivables and other current assets which were partially offset by a $2.92 million increase in cash at bank and restricted cash and $0.15 million increase in deferred costs.

The increase in restricted cash was due to the placement of Interest Servicing Reserve Account (the "**ISRA**") for the bank loan facilities provided by a bank (the "**Facility A**') from the drawdown of the OCP-PDD Loan while the increase in cash at bank was attributable to the delay in routine payment cycle for the month of June 2022 as well as residual sum from drawdown of the OCP-TPG Loan

LIABILITIES

The Group's non-current liabilities increased by $186.02 million from $47.34 million as at 30 June 2021 to $233.36 million as at 30 June 2022. The increase was largely due to a $183.50 million increase in loans and borrowings and a $2.57 million increase in other payables.

The $183.50 million increase in loans and borrowings was largely attributable to:

(i) $139.92 million of OCP-TPG Loan being presented as non-current liabilities following the amendment of its maturity date to 5 October 2023;

(ii) a $34.67 million increase in OCP-PDD Loan;

(iii) $9.72 million of CH Biovest Loan (I) and DB2 Loan being presented as non-current liabilities as a result of certain accession agreements entered into by CH Biovest Pte. Limited ("**CH Biovest**"), a controlling shareholder of the Company, and DB2 Investment Pte. Ltd. ("**DB2**"), a third party to the Group, with the Lenders resulting in such loans being subordinated to the Loans From Lenders and will not be due within the next twelve (12) months from 30 June 2022;

(iv) a $0.54 million increase in CH Biovest Loan (II) and $0.20 million increase in loans from other third parties; and

(v) partial offset by a $1.55 million reduction in bank loan (net of unamortised transaction costs) as a result of prepayment of principal under Facility A.

The $2.57 million increase in other payables was largely due a $3.07 million increase in withholding tax payable which was partly offset by a $0.50 million reduction in Goods & Services ("**GST**") clawback and penalties payables.

The withholding tax payable pertained to interest on OCP-PDD Loan and intercompany loans provided by the Group's non-Malaysian entities to the Group's subsidiary, Pearl Discovery Development Sdn. Bhd.. Since such withholding tax are only payable when interest is paid, given that these related interests are not contracted to be repaid within the next twelve (12) months from 30 June 2022, these are accordingly classified as non-current liabilities.

The $0.50 million reduction in GST clawback and penalties payables was due to the reclassification of amount due, as per agreed schedule of repayment, within the next twelve (12) months from 30 June 2022 to current liabilities.

The Group's current liabilities decreased by $139.99 million from $164.60 million as at 30 June 2021 to $24.61 million as at 30 June 2022. This decrease was due largely to a $115.83 million decrease in loan and borrowings, a $16.10 million reduction in other payables, a $4.96 million of scheduled payment of income tax liabilities, a $2.86 million of routine repayment of trade payables and $0.20 million decrease in lease liabilities due to routine payment.

The $115.83 million reduction in loan and borrowings was largely due to the reclassification of $102.95 million of OCP-TPG Loan as non-current liabilities (as explained under "Non-current liabilities"), the repayment of $3.28 million of principal (net of unamortised transaction costs) under Facility A and the reduction of $9.55 million of loans from PSD Holdings Pte. Ltd., which was assigned to CH Biovest and DB2 and presented as non-current liabilities (as explained under "Non-current liabilities").

The $16.10 million reduction in other payables was largely due to the repayment of $12.41 million of amount due to an affiliate of the Lenders using funds from the OCP-PDD Loan as well as a $2.43 million reclassification of withholding tax payable as non-current liabilities (as explained under "Non-current liabilities"), a $1.14 million decrease in accruals due largely to transfer to trade payables upon the receipt of invoices and routine payments and a $0.78 million reduction in PCR deposits received upon recognition as revenue.

CASH FLOW STATEMENT

Net cash used in operating activities amounted to $26.77 million where $7.84 million of cash flow used by operations was largely attributable to the losses before tax incurred by the Group, repayment of trade and other payables amounting to $17.39 million, payment of finance costs amounting to $2.13 million and payment of income tax amounting to $4.90 million. These were partially offset by $5.43 million of cash generated from changes in other components of working capital and $0.06 million of interest income received.

The $17.39 million payment of trade and other payables was largely attributable to a $12.41 million payment made to an affiliate of the Lenders, a $2.91 million of scheduled payments to trade creditors, a $0.2 million payment of amount due to liquidator of subsidiaries and $0.51 million of scheduled payment of GST clawback and penalties payable.

The cash flow used in investing activities amounted to $0.14 million primarily related to the funding provided to joint venture and associate in relation to the KNK Bankruptcy and to maintain the live status of the associate respectively.

The Group's net cash generated from financing activities amounted to $28.58 million which was due to $2.0 million and $32.03 million drawdown under the OCP-TPG Loan and OCP-PDD Loan respectively, $0.50 million drawdown from CH Biovest Loan (II) and $0.2 million drawdown from loan facilities provided by other third parties. These were partially offset by $5.25 million increase in restricted cash in form of placement of ISRA for Facility A, $0.72 million partial prepayment of the principal outstanding under Facility A and $0.18 million of routine repayment of lease liabilities.

BOARD OF DIRECTORS

MR YING WEI HSEIN
Executive Chairman

MR YING is the Executive Chairman of the Company and oversees the Group's sales, operations, finance, legal and human resource functions. Mr Ying has over 25 years of experience in finance and accounting. He founded Singularity Consultancy Pte Ltd, a boutique consultancy firm specialising in initial public offerings, reverse takeovers, mergers & acquisitions, corporate restructuring, crisis management, finance and accounting matters. He was previously the Chief Financial Officer of two companies listed on the mainboard of the Singapore Exchange Securities Trading Limited. Mr Ying graduated with a Bachelor of Accountancy and minor in Banking and Finance from Nanyang Technological University, Singapore, and is a Fellow Member of the Institute of Singapore Chartered Accountants and member of Singapore Institute of Directors.

MR LEOW CHIN BOON
Lead Independent Director

MR LEOW serves as the Lead Independent Director of the Company, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. Mr Leow has over 21 years of experience in audit, finance and accounting. Mr Leow graduated with a Bachelor of Commerce from the University of Western Australia and is currently a Chartered Accountant of the Institute of Singapore Chartered Accountants and a Certified Practising Accountant of CPA Australia.

MR YEONG WAI CHEONG
Independent Director

MR YEONG serves as an Independent Director of the Company, Chairman of the Nominating Committee and a member of the Remuneration and Audit Committees. He is currently a director at Drew & Napier LLC. Mr Yeong as a practicing lawyer has extensive real estate and financing experience and advises on many financing and real estate transactions. Prior to joining Drew & Napier LLC, Mr Yeong was one of the founding partners of a Singapore law firm. He was also previously the General Counsel for Asia as well as the Head of Legal for Singapore for a European bank. Mr Yeong graduated with a Bachelor of Laws (Honours) from National University of Singapore and is a member of Law Society of Singapore and Singapore Academy of Law.

MR LIM HOON TONG
Independent Director

MR LIM serves as an Independent Director of the Company, Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He has more than 21 years of professional experience, of which about 17 years were in the restructuring & insolvency services teams in Big 4 accounting firms. Mr Lim has extensive experience in debt restructuring advisory, having worked with clients in both Singapore and Indonesia. He has assisted clients in financial distress to formulate and develop comprehensive debt restructuring plans, including injection of fresh capital by investors as part of the debt restructuring exercise. Mr Lim holds a Bachelor of Business (specialising in Financial Analysis) from Nanyang Technological University, and is a CFA Charter holder. He is also a Fellow with the Insolvency Practitioners Association of Singapore.

MANAGEMENT TEAM
(EXCLUDING EXECUTIVE DIRECTOR)

MR DARREN CHUA
Chief Operating Officer and Head of Legal

MR CHUA is the Chief Operating Officer ("**COO**") and Head of Legal of the Group. He oversees the Group's operations and also acts as its general counsel. Overall, Mr Chua's role is three-dimensional with elements involving operations, legal and crisis management. Mr Chua has over 10 years of experience in the legal sphere, having previously been a corporate lawyer in private practice specialising in Mergers & Acquisitions and Corporate Finance in Rajah & Tann LLP and Shook Lin & Bok LLP, which are among the largest law firms in Singapore.

Mr Chua holds a Bachelor of Laws (Honours) and a Bachelor of Business Administration (Honours) from the National University of Singapore, graduating from the NUS Double Degree Programme in 2011. He was called to the Singapore Bar as an Advocate & Solicitor in 2012.

MS FLORENCE WEE SHU YI
Executive Assistant to COO and Human Resource Manager

MS WEE is the Human Resource Manager and Executive Assistant to COO. She supports the Executive Chairman and COO to oversee the human resource functions and operations respectively. Ms Wee has over 8 years of experience in human resource.

Ms Wee holds a Bachelor of Business Studies (Honours) in Human Resource Management from the University of College Dublin in 2020.

MR PATRICK YEOH
Director of Sales and Marketing – PDD

MR YEOH is the Director for Sales & Marketing at Pearl Discovery Development Sdn. Bhd ("**PDD**") and oversees the sales and marketing activities of Puteri Cove Residences and Quayside.

Mr Yeoh has over 16 years of experience in property sales having previously worked with major developers in Malaysia such as Mah Sing Properties Berhad and UEM Sunrise Berhad. Mr Yeoh has brought in sales figures well over RM100 million in value since joining PDD in 2016.

Mr Yeoh attained his Master of Business Administration from University of Derby, United Kingdom in 2013 on top of his Diploma in Banking (I.B.B.M.) attained in 1993.

MS ARIES KOH SEOW TENG
Senior Leasing Manager - PDD

MS KOH is the Senior Manager for Leasing at PDD and oversees the advertising and promotional events of Puteri Cove Quayside.

Ms Koh has over 18 years of experience in commercial retail leasing, advertising & promotions with major mall operators and developers such as UEM Sunrise Berhad and Themed Attractions Resorts Hotels Sdn. Bhd.

Ms Koh attained her Master of Commerce and Business Administrative from the International University College of Technology Twintech (IUCTT) Kuala Lumpur in 2012 on top of her Bachelor of Commerce and Administrative in Marketing from the Victoria University of Wellington, New Zealand in 1999.

PORTFOLIO

PUTERI COVE RESIDENCES AND QUAYSIDE

Puteri Cove Residences and Quayside is a freehold mixed-use development located in Puteri Harbour, Iskandar Puteri, Malaysia, comprising 658 luxury residences in two 32-storey tower blocks, SOHO, lofts, Pan Pacific Serviced Suites in a separate 32-storey tower block, and a 2-storey lifestyle retail centre, all overlooking an tranquil waterfront.

WINNER OF 10 INTERNATIONAL AWARDS FOR DEVELOPMENT EXCELLENCE, INCLUDING:

Best Luxury Condominium Development in Malaysia – 2016

Best Residential Landscape Architecture in Malaysia – 2017/2018

Best Residential High-Rise Development in Malaysia – 2017/2018

Best Residential Interior Design in Malaysia – 2016

RETAIL

Puteri Cove Quayside

Puteri Cove Quayside represents the estate's retail and lifestyle component. It features a 2-storey building comprising 78 commercial outlets spread across 120,000 sqft rentable space, presenting a unique opportunity for F&B concepts and lifestyle businesses to take advantage of the panoramic view overlooking the tranquil waterfront.

The key tenants at Puteri Cove Quayside are:

The Pasar

The Pasar is a premium gourmet grocer located on the ground floor of Puteri Cove Quayside. Occupying 15,000 sqft of space, the supermarket carries a full assortment of up to 60% internationally sourced food merchandise with dedicated counters offering niche products to cater to specific nationalities such as Korean and Japanese shoppers.

O'Coffee Club

O'Coffee Club Atelier Café is located on the lower ground floor of Puteri Cove Quayside. It is more than just a place where customers can sit down to an aromatic blend of premium roasted coffee beans. It keeps bellies happy with an impressive menu such as pastas, snacks, finger food and sandwiches. O'Coffee Club has come a long way, taking great pride in replicating the cosiness and easy contemporary café lifestyle across the urban landscape since the opening of its first outlet in Holland Village, Singapore in 1991.

27 @ Cove

27 @ Cove is a lively waterfront Bar & Restaurant located on the lower ground floor of Puteri Cove Quayside. This swanky food & beverages spot has found its home at southern Johor marina since 2016. It offers amazing food and a wide variety of drinks with a fabulous view of the waterfront.

PORTFOLIO

Richiamo Coffee

Richiamo Coffee has gained positive local community attention and followers due to its active participation in corporate social responsibility events in its café located on the lower ground floor of Puteri Cove Quayside. It offers a large range of local comfort food pleasantly paired with relaxed indoor and outdoor seating with fabulous views of the waterfront.

Heritage Whisky

Heritage Whisky is a cosy and posh whisky bar for patrons to unwind and enjoy the pleasure of drinking and socialising with friends and associates. With the ever-growing whisky interest worldwide, Heritage Whisky, located on the lower ground floor of Puteri Cove Quayside, offers a wide selection of whiskies to satisfy discerning customers' expectations.

Heats American Grill

Heats American Grill is located on the lower ground floor of Puteri Cove Quayside with an open promenade area and waterfront view. It offers barbeque meals which appeal to both young customers and young-at-heart diners. Heats American Grill stays true to the traditional American grilled food culture and earnestly innovates with its gastronomy to serve diners with a dining experience that would keep them coming back for more.

Le Rêveur

Le Rêveur is a new start-up café operated by a French owner who is passionate about pastries and desserts. It serves authentic French meals and desserts which brings unique experience and different taste for patrons.

PORTFOLIO

RESIDENCES

Puteri Cove Residences

Puteri Cove Residences was developed with a vision to set luxury international standards – providing resort-style living packed with quality value for homeowners and investors. All units are in ready-to-move-in condition, fully-equipped with branded kitchen appliances and cabinets, light fittings, ducted air-conditioning systems, water heaters, built-in wardrobes and storage cabinets.

The resort living ambience is evident from the over 30 world-class facilities that are spread across 3 dedicated levels. These facilities include lushly landscaped sky garden amenities and outdoor sky observation deck, infinity lap pools, jacuzzies, tennis courts, a basketball court and yoga meditation decks as well as stunningly designed hotel-inspired grand lobbies, sky library, spacious fitness gyms, grand lounge & club, private dining rooms and function rooms.

1 Ground Floor | Lobby
2 Living Room | SOHO
3 Bath Room | SOHO

PORTFOLIO

SERVICED SUITES

Pan Pacific Serviced Suites Puteri Harbour

Located in Tower 3 of Puteri Cove Residences, Pan Pacific Serviced Suites Puteri Harbour will be one of the highest quality hospitality offerings in the Iskandar region. Pan Pacific Serviced Suites Puteri Harbour offers 205 smartly-furnished studios, one- and two- bedroom suites. The sizable suites integrate intuitive modern designs and practical necessities that ease the stresses of living away from home, whether as a business or leisure traveller.

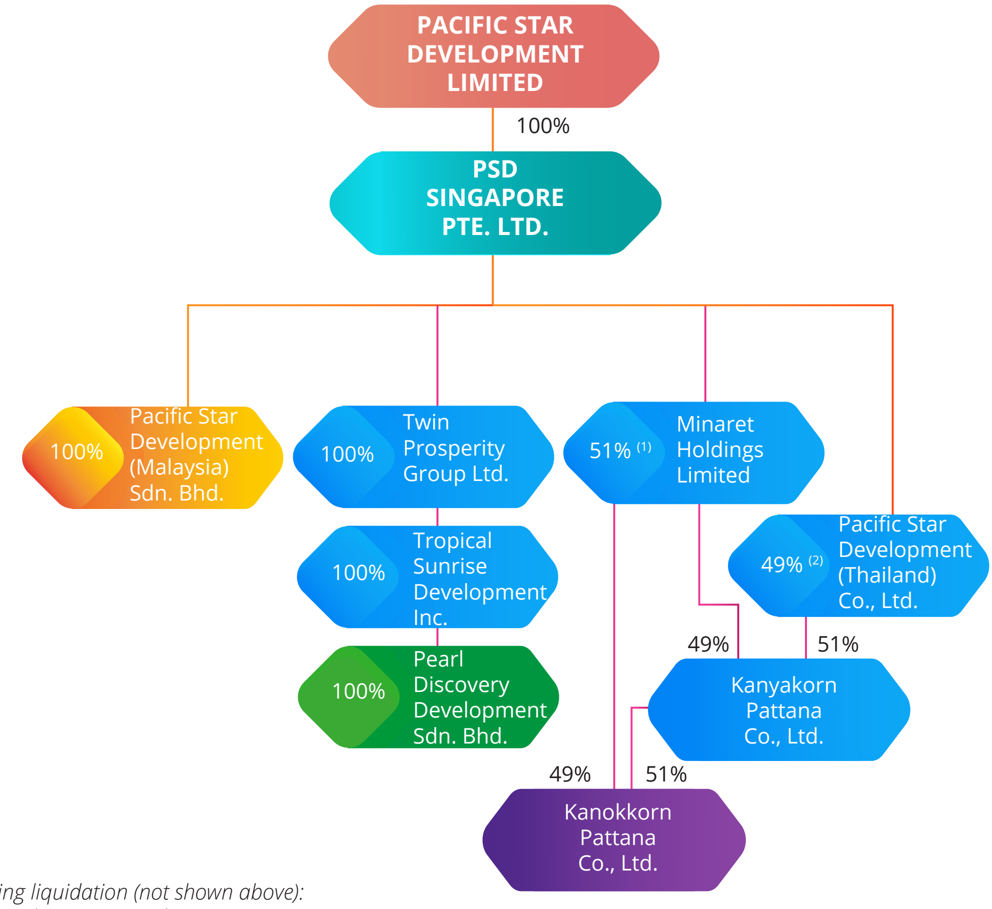
A comprehensive range of facilities and services, including an infinity lap pool that faces the waterfront, outdoor jacuzzies, well-equipped fitness gym, residents' lounge and state-of-the-art security system complete the experience of exclusive waterfront hospitality living in Puteri Harbour.

As a result of the COVID-19 pandemic, the launch of the Pan Pacific Serviced Suites Puteri Harbour has been delayed. The launch date will be dependent on the recovery of the tourism sector post COVID-19.

4 Living Room | Three-Bedroom Unit
5 Public Facility | Swimming Pool
6 Tower 3 | Lobby

CORPORATE STRUCTURE

As at 30 June 2022



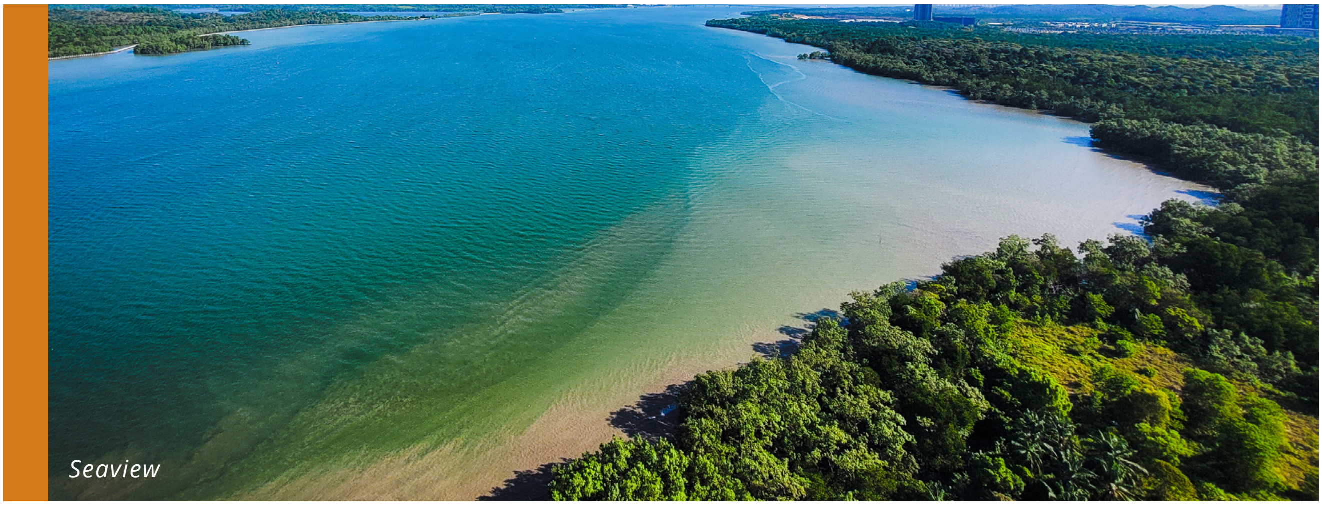
Entities undergoing liquidation (not shown above):
1. LH Aluminium Industries Pte. Ltd.
2. Durabeau Industries Pte Ltd

Entity under absolute receivership as at the date of this Annual Report.

Entity planned to undergo voluntary strike off application as at the date of this Annual Report.

Dormant investment holding entities as at the date of this Annual Report.

Note:
[1] The other 49% in Minaret Holdings Limited is held by a joint venture partner, Tiwanon Development Ltd.
[2] The other 51% in Pacific Star Development (Thailand) Co., Ltd. is held by local Thai shareholders.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Ying Wei Hsein, *Executive Chairman*
Mr Leow Chin Boon, *Lead Independent Director*
Mr Yeong Wai Cheong, *Independent Director*
Mr Lim Hoon Tong, *Independent Director*

AUDIT COMMITTEE

Mr Leow Chin Boon, *Chairman*
Mr Yeong Wai Cheong, *Member*
Mr Lim Hoon Tong, *Member*

NOMINATING COMMITTEE

Mr Lim Hoon Tong, *Chairman*
Mr Yeong Wai Cheong, *Member*
Mr Leow Chin Boon, *Member*

REMUNERATION COMMITTEE

Mr Lim Hoon Tong, *Chairman*
Mr Yeong Wai Cheong, *Member*
Mr Leow Chin Boon, *Member*

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

2 Venture Drive
#24-01 Vision Exchange
Singapore 608526
Website: www.pacificstar-dev.com
Telephone Number: (65) 6914 9337

REGISTRAR AND SHARE TRANSFER OFFICE

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad
DBS Bank Limited

THE AUDITORS

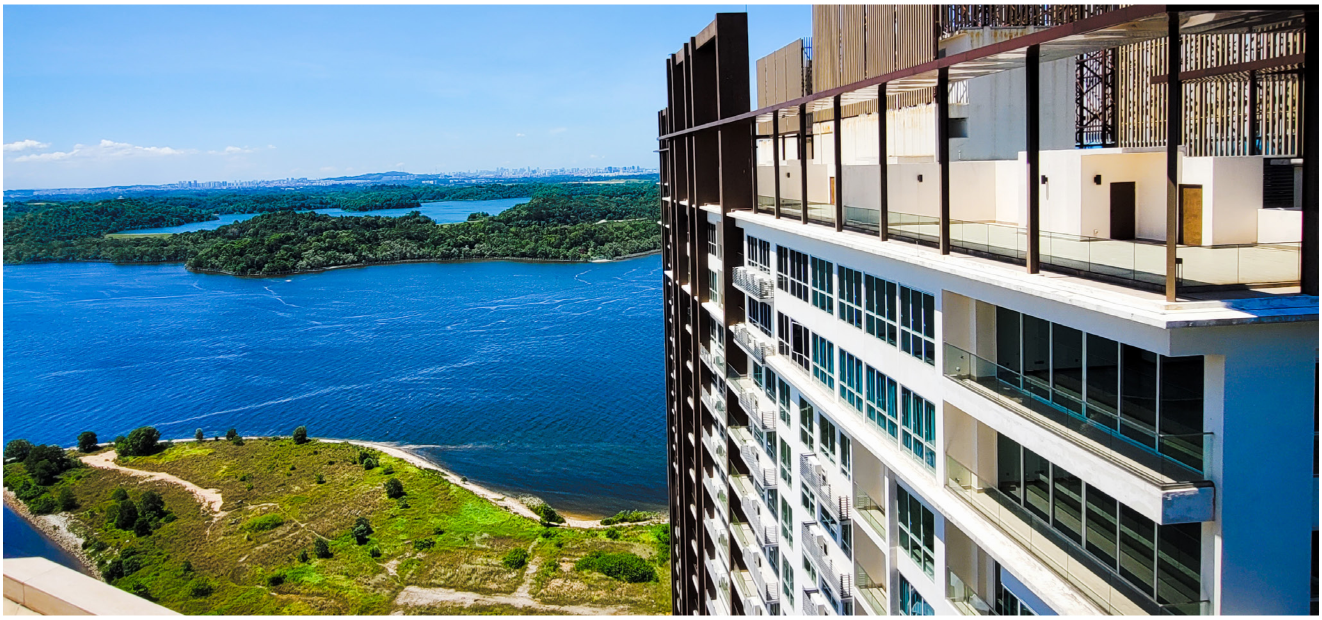
Ernst & Young LLP
One Raffles Quay North Tower, Level 18
Singapore 048583
Partner-In-Charge: Ms Low Yen Mei
(Date of Appointment: Since start of financial year ended 30 June 2021)

COMPANY SECRETARY

Ms Kiar Lee Noi
(Date of Appointment: 2 March 2022)

SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542



CORPORATE GOVERNANCE

The board of directors (the "**Board**" or "**Directors**") and the management ("**Management**") of Pacific Star Development Limited (the "**Company**" and together with its subsidiaries, the "**Group**") recognises the importance of corporate governance and are committed to ensure that a high standard of corporate governance is practised throughout the Group. This is a fundamental part of their responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

This report describes the Company's corporate governance practices and structures that were in place during the financial year from 1 July 2021 to 30 June 2022 ("**FY2022**"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and accompanying Practice Guidance, which forms part of the continuing obligations under the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Companies Act 1967 of Singapore (the "**Companies Act**"). The focus shall be on areas such as internal controls, risk management, financial reporting, internal and external audits.

The Board is pleased to confirm that for FY2022, the Group has complied with the principles and provisions as set out in the Code and the Practice Guidance, where applicable. In areas where the Company's practices vary from any provisions of the Code and/or the Practice Guidance, the Company has stated herein the provision of the Code and Practice Guidance (as applicable) from which it has varied, provided appropriate explanations for the variation, and explained how the practices the Company had adopted are consistent with the intent of the relevant principles of the Code and Practice Guidance. The Company will continue to assess its needs and implement appropriate practices accordingly.

I. BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1

Principle Duties of the Board

The Board as at the date of this report comprises:

Mr Ying Wei Hsein	Executive Chairman
Mr Leow Chin Boon	Lead Independent Director
Mr Yeong Wai Cheong	Independent Director
Mr Lim Hoon Tong	Independent Director

The Company is headed by an effective Board to lead and control its operations and affairs. The key responsibilities of the Board include charting and reviewing the Group's overall business strategy, supervising Management of the Company and reviewing the Group's financial performance and managerial performance while considering sustainability issues as part of its strategic formulation.

The Board is collectively responsible for the long-term success of the Group and delivery of sustainable value to the shareholders and other stakeholders. Thus, written terms of reference have been put in place to assist the Board and Management in clarifying responsibilities and ensuring effective communication between the Board and Management.

The terms of reference of the Board sets out its authority and responsibilities. Its duties shall span key areas in the Group, including:

Corporate Governance

(a) Review and ensure that the appropriate policies and practices on corporate governance are in place;

(b) Perform such duties and responsibilities as may be required by laws, regulations, and the Constitution of the Company;

(c) Review and monitor the Group policies and practices on compliance with legal and regulatory requirements;

(d) Ensure that the required disclosures on corporate governance and related matters required by laws and regulations are made in the annual report and accounts, and to the regulatory authorities;

(e) Ensure prudent policies for carrying on business while promoting fair practices and high standards of business conduct;

(f) Assess annually the effectiveness of the Board and the Board Committees, and contributions of each Director;

(g) Receive a comprehensive and tailored induction on joining the Board, the coverage of which is supervised by the Board. In addition, Directors with no relevant experience or expertise as a director of an SGX-ST-listed entity are to be provided with training on the roles and responsibilities of a director of an SGX-ST-listed entity, as prescribed by the SGX-ST;

(h) Monitor and ensure the training and continuous professional development of Directors and senior management. As the Code places on Directors the onus of understanding the business of the Group and their duties, Directors should inform the Secretary or Board Chairman of director development opportunities they wish to pursue at the Group's expense; and

(i) Establish an investor relations policy to promote regular, effective and fair communication with the shareholders.

Strategy

(a) Set long-term strategy goals, review and assess the strategies from time to time, and monitor the progress towards achieving these goals; and

(b) Consider sustainability issues, including issues relating to the environment and social factors, when formulating its strategies.

Finance

(a) Review and approve the annual business plan and budget;

(b) Monitor the financial performance of the Group;

(c) Determine an appropriate capital and debt structure for the Company and the Group to meet the Company's and the Group's overall long-term business objectives;

(d) Set the dividend policy and declare dividends (if and where applicable) based on projected working capital requirements and subject to the relevant laws/regulations; and

(e) Review and approve significant acquisitions, divestments, transactions and other matters in accordance with the prevailing delegation of authority framework (the "**DOA**").

Risk Management and Internal Controls

(a) Oversee the establishment and operation of an enterprise risk management framework to identify, assess, manage, monitor and report the Group's risks;

(b) Determine and review the Group's risk profile, risk tolerance level and risk strategy of the Group; and

(c) Conduct an annual, rigorous assessment of the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, the effectiveness of its internal audit, risk management and compliance functions, and the adequacy of the resources allocated to these functions.

Human Resources

(a) Approve the appointment of the Group's key management personnel ("**KMP**");

(b) Approve, in consultation with the Remuneration Committee (the "**RC**"), the compensation packages and incentive payment structure for KMP;

(c) Oversee the design and operation of the Group's remuneration policy and compensation framework for KMP; and

(d) Develop a succession plan for Directors and the Chief Executive Officer ("**CEO**"), and oversee, through the Nominating Committee (the "**NC**"), the succession plans for such positions.

Code of Business Conduct and Ethics

All Board members bring their independent judgement, diversified knowledge and experience to bear on issues of strategy, performance, resources and standards of conduct and ethics. The Board abides by ethical values and standards which form the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. The Company has established internal advisories that set the principles of business ethics and expected conduct by employees of the Group. These cover significant areas including appropriate business conduct and ethics, safeguarding of confidential information and prohibition on insider trading, whistle-blowing, conflicts of interest and non-competition. All staff of the Group are expected to uphold these principles and conduct themselves with high standards of integrity that are in compliance with the laws and regulations of the countries in which the Group operates.

Conflicts of Interest

The Board acts in good faith and in the best interests of the Company by exercising due care, skills and diligence, and avoiding conflicts or potential conflict of interest. The Directors are cognisant of their fiduciary duties at law. Pursuant to Section 156 of the Companies Act, each Director is to declare to the Company his interests (direct or indirect) in all transactions with the Company and provide details on the nature of such interests as soon as practicable after the relevant facts have come to his knowledge. On an annual basis, each Director is also required to submit details of his associates for the purpose of monitoring interested persons transactions (each, an "**IPT**" and collectively, the "**IPTs**"). In addition, Directors regularly provide updates to declare his directorship or partnership in any company, corporation or partnership as and when such appointment or cessation takes place. In order to address and manage conflicts of interest, Directors are required to declare any actual, potential and perceived conflict of interest in relation to any transactions or proposed transactions at a Board meeting or by written notification to the Company Secretary. The conflict-related matter will be discussed and the affected Director is to recuse himself from decision(s) on the conflict-related matter. Unless the Board (excluding the Director(s) who is/are conflicted) is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion, exceptions will be provided only for discussion purposes.

Provision 1.2

Director Competencies

All Directors have a good understanding of the Group's business as well as their directorship duties (including their roles as executive, non-executive and independent directors).

While the duties imposed by law are the same for all directors, the board of directors of a listed company will generally have different classes of directors with different roles:

- **Executive Directors** (each, an "**ED**" and collectively, the "**EDs**") are usually members of the management who are involved in the day-to-day running of the business. EDs are expected to:

  (a) Provide insights on the Company's day-to-day operations, as appropriate;

  (b) Provide Management's views without undermining the Management's accountability to the Board; and

  (c) Collaborate closely with Non-Executive Directors (each, a "**NED**" and collectively, the "**NEDs**") and Independent Directors (each, an "**ID**" and collectively, the "**IDs**") for the long-term success of the Group.

- **NEDs** are not part of the management. They are not employees of the Company and do not participate in the Company's day-to-day management. NEDs are expected to:

  (a) Be familiar with the business and stay informed of the activities of the Company;

  (b) Constructively challenge Management and help develop proposals on strategy;

  (c) Review the performance of the Management in meeting agreed goals and objectives; and

  (d) Participate in decisions on the appointment and re-appointment, assessment and remuneration of the EDs and KMP.

- IDs are NEDs who are deemed independent by the board of directors. IDs have the same set of duties of the NEDs, and additionally provide independent, and objective advice and insights to the Board and the Management.

Directors are expected to develop their competencies to effectively discharge their duties and are provided with opportunities (as described below) to develop and maintain their skills and knowledge at the Company's expense.

Appointment Letter

Upon appointment of each Director, the Company shall provide a formal letter of appointment to the Director, setting out the Director's roles, obligations, duties and responsibilities, and the expectations of their contribution to the Company as a member of the Board.

Continuous Training and Development of Directors

The Company does not have a formal training program for the Directors but all incoming Directors will undergo a comprehensive and tailored induction on joining the Board. This includes his duties as a Director and how to discharge those duties, and an orientation programme to ensure that he is familiar with the Group's business, governance practices and processes, internal controls and risk management systems. To get a better understanding of the Group's businesses, the incoming Director(s) will also be given the opportunity to meet with Management and to visit the Group's development project.

The Company will also arrange for first-time Director(s) to attend relevant training in relation to the roles and responsibilities of a Director of a public listed company in Singapore as prescribed by the SGX-ST and in areas such as compliance, regulatory and corporate governance matters and industry-specific knowledge as appropriate. The training of Directors will be arranged and funded by the Company.

The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. The Board will consider adopting a policy on continuous professional development for Directors.

To keep pace with new laws, regulations, changing commercial risks and financial reporting standards, all Directors are encouraged to be members of the Singapore Institute of Directors (the "**SID**") and attend specifically tailored training conducted by professionals at least annually. Directors are also encouraged to attend, at the Company's expense, relevant and useful seminars for their continuing education and skills improvement courses that are conducted by external organisations. The Company Secretary will bring to Directors' attention information on seminars that may be of relevance or use to them.

Pursuant to Rule 720(6) of the Catalist Rules, effective 1 January 2022, all Directors of the Company must undergo training on sustainability matters as prescribed by the SGX-ST. If the NC is of the view that training is not required because the Director has expertise in sustainability matters, the basis of its assessment must be disclosed. The Company is required to confirm in its Sustainability Report for the financial year ending 30 June 2023 that all its Directors have attended the mandatory training on sustainability. Accordingly, the Company has arranged for its Directors to attend the mandatory training on sustainability training by 30 June 2023.

All Directors are provided with regular briefings from time to time on changes in the relevant laws, accounting standards, Catalist Rules, corporate governance and other regulations or statutory requirements. Briefings, updates and trainings for the Directors in FY2022 included the following:

- The External Auditors ("**EA**") had briefed the AC and the Board on changes and/or amendments to accounting standards; and
- The Company Secretary and/or the Company's sponsor (SAC Capital Private Limited) had briefed the Board on the continuing obligations under the Catalist Rules as well as periodic updates on the Catalist Rules where necessary.

Provision 1.3

Internal Guidelines on Matters Requiring Board Approval

The DOA puts in place a set of internal controls and guidelines that sets out finance authorisation and approval limits for investments, divestments, capital and operating expenditures and expenses, internal delegation of authority matrix governing matters requiring pre-approval from the Board and/or the Board committees, sale matters, operating and capital expenditures and human resource management. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management to facilitate operational efficiency.

The Board is involved in the supervision of the management of the Group's operations. All Directors shall discharge their fiduciary duties and responsibilities at all meetings in the interests of the Group. Matters which specifically require the Board's decision or approval include:

(a) Corporate strategy, business plans and direction of the Group;

(b) Material acquisitions and disposals of assets;

(c) Corporate and financial restructuring;

(d) Share issuance and dividends;

(e) Appointment, termination and compensation of ED(s) and KMP;

(f) Annual budgets, financial results announcements, annual report and audited financial statements; and

(g) IPTs.

Provision 1.4

Delegation of Authority to Board Committees

The Board objectively takes decisions in the interests of the Group. To assist the Board in the execution of its responsibilities and to provide independent oversight of Management, the Board has established three (3) Board committees, namely the Audit Committee (the "**AC**"), NC and RC (collectively referred to herein as the "**Board Committees**"). These Board Committees function within clearly defined terms of reference and operating procedures endorsed by the Board, which are reviewed on a regular basis, along with the committee structures and membership, to ensure their continued relevance, taking into consideration the changes in the governance and legal environment. The Board accepts that while these Board Committees have the authority to examine particular issues and will report to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. The composition and description of each Board Committees is set out in this report. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board. The responsibilities and authority of the Board Committees set out in their respective terms of reference are revised for alignment with the Code as and when necessary.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and the Group. The Board Committees report their activities regularly to the Board. Minutes of the Board Committees are provided to the Board and are available to all Board members. The Board Committees have explicit authority to investigate any matter within their terms of reference, have full access to and co-operation of the Management, have resources to enable them to discharge their functions properly and full discretion to invite any Director or KMP or the relevant staff to attend their meetings.

Provision 1.5

Meetings of Board and Board Committees

The schedule of all the Board and Board Committees meetings as well as the annual general meeting ("**AGM**") of the Company for the next calendar year is planned well in advance. The Board meets at least four (4) times a year to coincide with the announcements of the Group's results. Additional ad-hoc meetings are called as and when there are pressing matters requiring the Board's consideration and decision in between the scheduled meetings. In addition to the scheduled meetings, the Board has informal discussions whereby such decisions are formally confirmed and approved through resolutions in writing. The Board members also communicate regularly with Management to discuss the business operations of the Group.

The Constitution of the Company allows Directors to participate in Board or Board Committees meeting by telephone conference or video-conference whereby all persons participating in the meeting are able to communicate as a group and all the Directors are able to extend their contribution beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networks which would further the interest of the Group.

The numbers of Board and Board Committees meetings held in FY2022 and the attendance of Directors during these meetings are as follow:

	Board	AC	RC	NC
No. of meetings held	8	5	1	1
No. of meetings attended				
Ying Wei Hsein	8	5*	1*	1*
Leow Chin Boon	8	5	1	1
Yeong Wai Cheong	8	5	1	1
Lim Hoon Tong	8	5	1	1

* Attended by invitation

Multiple Board Representations

The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after considering his other principal commitments. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his knowledge. When a Director has multiple board representations, and in considering the nomination of Directors for appointment or re-appointment, the NC will evaluate whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

The NC has reviewed all the declarations from the Directors and evaluated the competing time commitments faced by Directors serving on multiple boards during FY2022 and noted that none of the Directors is acting as a director of another listed company. Hence, it is satisfied that, having considered the Directors' other principal commitments, the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as given sufficient time and attention to the affairs of the Company.

Notwithstanding the above, following due deliberation by the NC, the NC has resolved and unanimously agreed with the maximum number of listed company board representations held by each individual Director should not be more than five (5). If any Director holds more than five (5) listed company board representations, the number of the listed company board representations he holds will be subjected to the review and approvals of the NC and the Board.

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitment of Directors, including whether such commitment is in a full-time or part-time employment capacity;
- Size and complexity of the Board;
- Nature, size and scope of the Group's operations;
- Relevant industry knowledge and experience;
- Relevant corporate, professional and management experience; and
- Capacity, complexity and expectations of the other listed directorships and principal commitments held.

Provision 1.6

Access to Information

All Directors have unrestricted access to the Company's records and information. Directors are provided with complete, adequate and timely information, on an on-going basis, in order for them to discharge their duties efficiently and effectively.

Detailed Board papers are prepared and circulated to the Directors prior to the Board and Board Committees meetings to provide for sufficient time to enable the Directors to obtain further explanations, where necessary, in order for full deliberation on the issues to be considered at the respective meetings. The Board papers contain sufficient information, including among others, the following documents and details:

(a) Minutes of the previous Board and Board Committees meetings;

(b) Background or explanations on matters brought before the Board for decision, including issues being dealt with by Management, Management's recommendations with regard to the issues being discussed, relevant budgets, forecasts and projections, as the case may be. In respect of budgets, financial performance including an analysis between comparative periods, with material variances between the projections and actual results are disclosed and explained to the Board and AC; and

(c) Major operational and financial issues.

However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Members of Management or staff who can provide additional insight into the matters at hand would be present at the relevant time during the Board and/or the Board Committee meeting.

The Board is also updated on the industry trends and developments surrounding the Group's business segment to enable them to oversee the Group's operational and financial performance as well as risks faced by the Group.

Provision 1.7

Access to Management and Company Secretary

All Directors have separate and independent access to the advice and services of the Company Secretary, who is responsible for ensuring that Board and Board Committees procedures are followed and that applicable rules and regulations, including the requirements of the Companies Act and the Catalist Rules are complied, at all times through email, telephone, teleconference and face-to-face meetings.

The Directors are also entitled to request for additional information and Management is required to provide them such information on a timely basis. Any additional materials or information requested by the Directors to make informed decisions is promptly furnished.

The Company Secretary and her representatives attend all regular meetings of the Board and Board Committees. Under the direction of the Executive Chairman, the Company Secretary and her representatives are responsible for ensuring good information flows within the Board and its Board Committees and between senior management and IDs, assisting the Executive Chairman, the Chairperson of each of the Board Committees and Management in the development of the agendas for the various Board and Board Committees meetings; attending and preparing minutes for Board and Board Committees meetings; and advising the Board on governance matters.

Under the Constitution of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

Access to Independent Professional Advice

Should Directors, whether as a group or individually, require external professional advice (where necessary) in furtherance of their duties and responsibilities, as they deem necessary, the cost of such professional advice is borne by the Company.

BOARD COMPOSITION AND GUIDANCE

Principle 2: 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.

Provision 2.1

Independence of Directors

In relation to the assessment of the independence of the directors, specific tests of directors' independence have been hardcoded into the listing rules of the SGX-ST to clarify that the circumstances which deem directors not to be independent should be applied without any exceptions.

Under Rule 406(3)(d) of the Catalist Rules, which took effect on 1 January 2019, these stipulate that a director will not be independent if he/she is employed by the issuer or any of its related corporations for the current or any of the past three (3) financial years, or if he/she has an immediate family member who is employed or has been employed by the issuer or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the RC of the issuer. In this regard, none of the IDs or their respective associates has any employment relationships with the Group.

All IDs are required to disclose any relationships or appointments which would impair their independence to the Board in a timely manner. In addition, the Board, on annual basis, determines whether or not a Director is independent, taking into account the Code's definition and the Catalist Rules.

For FY2022, the IDs, Mr Leow Chin Boon, Mr Yeong Wai Cheong and Mr Lim Hoon Tong, have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the IDs' independent business judgment with a view to uphold the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The IDs did not own shares of the Company and were not in any foreseeable situation that could compromise their independence of thought and decision. The Board, based on the review conducted by the NC, has determined that the said IDs are independent.

The Board, on annual basis, determines whether or not a Director is independent. For FY2022, the Board has determined, taking into account the views of the NC and based on the Board's observation, that Mr Leow Chin Boon, Mr Yeong Wai Cheong and Mr Lim Hoon Tong have demonstrated independent mindedness and conduct at Board and Board Committees interactions and are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, the judgement of each of the aforesaid Directors. The Board is of the firm view and opinion that the IDs are able to exercise independent judgement in the best interests of the Company in the discharge of their duties as IDs.

There are no Directors who are deemed independent by the Board notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

Duration of IDs' Tenure

As at the date of this report, none of the IDs have served on the Board beyond nine (9) years since the date of his first appointment. Nonetheless, the Board will assess the independence of each ID whose tenure exceeds nine (9) years from the date of his first appointment. The independence of such Directors will be subjected to rigorous review and, where applicable, the mandatory two-tier voting process to be sought at an AGM.

Provision 2.2

Proportion of IDs

As at the date of this report, the Board consists of four (4) Directors, of whom three (3) are independent, namely Mr Leow Chin Boon, Mr Yeong Wai Cheong and Mr Lim Hoon Tong. The IDs make up a majority of the Board and this complies with the Code where the Company is required to have a majority of the Board as IDs as the Executive Chairman is part of the Management and not an ID.

The Board is able to exercise objective judgment on corporate affairs independently and constructively challenge key decisions, taking into consideration the long-term interests of the Group and the Company's shareholders. Further, the Company has in place a DOA for matters requiring the Board's approval. Therefore, no individual or a small group of individuals is allowed to dominate the Board's decision making.

Provision 2.3

Proportion of NEDs

A majority of three (3) out of four (4) Directors on the Board are NEDs.

Provision 2.4

Composition and Size of the Board

As at the date of this report, the Board comprises one (1) ED and three (3) IDs as follow:

Mr Ying Wei Hsein	Executive Chairman
Mr Leow Chin Boon	Lead Independent Director
Mr Yeong Wai Cheong	Independent Director
Mr Lim Hoon Tong	Independent Director

The NC is responsible for examining the size and composition of the Board and Board Committees. As at the date of this report, the Board notes that the AC, NC and RC have the requisite three (3) members and meet the requirements in terms of the composition of IDs.

The NC and Board review the size of the Board on an annual basis and consider the present Board size is appropriate for the current scope and nature of the Group's operations. As IDs currently make up a majority of the Board, no individual or group is able to dominate the Board's decision making process. There is also balance in the Board because of the presence of IDs of the calibre necessary to carry sufficient weight in Board decisions.

Board Diversity

With a view to achieving sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company is accordingly committed to promoting diversity of the Board. The Board has adopted its diversity policy (the "**Board Diversity Policy**") in August 2022. In designing the Board's composition, the Board Diversity Policy requires the NC and the Board to consider a number of aspects, including but not limited to gender, age, nationalities, ethnicity, cultural background, educational background, experience, skills, knowledge, independence and length of service. Any search firm engaged to assist the Board or a Board Committee in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates including female candidates.

The Board recognises that the importance of diversity, regardless of genders, age groups, skillsets, experiences and nationalities, is to have an effective and diverse Board. The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company. The Board comprises businessmen and professionals with financial, corporate restructuring, accounting and legal backgrounds. Profiles of the Directors are set out in the "Board of Directors" section of this Annual Report. The NC is of the view that the Board consists of persons who, as a group, provide core competencies such as business and management experience, industry knowledge, legal expertise, restructuring experience, financial and strategic planning experience and knowledge that are necessary to meet the Company's objectives.

In identifying nominees for directorship, the Board Diversity Policy aims to have an appropriate mix of expertise with complementary skills, core competencies and experience for facilitating effective decision making. Each Director has been appointed based on his skills, experience and knowledge, and is expected to bring forth his experience and expertise to the Board for the continuous development of the Group. The Board Diversity Policy provides that the NC will consider all aspects of diversity in reviewing the Board composition and succession planning.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

Core competencies	Number of Directors at the date of this report	Proportion of Board at the date of this report
Accounting or finance	3	3/4
Business management	4	4/4
Legal or corporate governance	4	4/4
Relevant industry knowledge or experience	2	2/4
Strategic planning experience	4	4/4
Customer based knowledge or experience	4	4/4
Restructuring experience	2	2/4

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

The NC will review annually and/or as appropriate, to ensure the effectiveness of the Board Diversity Policy and alignment with the requirements of the Code and taking into consideration the scope and nature of the operations as well as the evolving operating environment of the Group. The NC will recommend any required revisions to the Board for approval.

With the introduction of Rule 710A of the Catalist Rules effective from 1 January 2022, the NC is also preparing for the new disclosures on board diversity and describe such disclosures in its annual report for the financial year ending 30 June 2023.

Board Guidance

An effective and robust board of directors, whose members engage in open and constructive debates and challenge the management on its assumptions and proposals, is fundamental to good corporate governance. The Board should also aid in the development of strategic proposals and oversee effective implementation by the Management to achieve set objectives.

Management provides the IDs with accurate, complete and timely information. Further, the IDs have unrestricted access to Management, the auditors and the Company Secretary. The IDs have access to Management to query and request for further information on proposed significant transactions and the development of business strategies. The Board reviews the business performance of the Group on a quarterly basis prior to the release of the financial results. The IDs also review the performance of Management in meetings, set goals and objectives and monitor their performance. Such review of Management's performance is done annually and the IDs provide their feedback to the Board in relation to Management's performance. Besides receiving regular Board briefings on latest market developments and trends, and key business initiatives, periodic information papers, industry and market reports, the IDs are regularly briefed by the Management on major decisions and prospective business deals.

Provision 2.5

Meetings of IDs with Management

Although all the Directors have an equal responsibility for the Group's operations, the role of IDs is particularly important in ensuring that the strategies proposed by Management are constructively challenged, fully discussed and examined, and take account of the long-term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts business.

The IDs are also encouraged to meet regularly without the presence of Management. During FY2022, the IDs have met informally at least once without the presence of Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of Directors and KMP. Thereafter, the Chairman of such meeting will provide feedback to the Board and/or Executive Chairman of the Company as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: 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.

Provision 3.1

Separate Roles of Chairman and CEO

The Chairman of the Board and the CEO should in principle be separate persons to maintain an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making. There is a clear division of responsibilities, as set out in writing and agreed by the Board, between the leadership of the Board and the Management responsible for managing the Group's business operations.

Mr Ying Wei Hsein is the Executive Chairman of the Company and has direct oversight of the Group's sales, operation, finance, human resource and legal functions. The Board is of the opinion that the process of decision making by the Board has been independent and has been based on collective decisions without any individual exercising any considerable concentration of power or influence. All Directors ensure that they have collectively taken decisions in the interests of the Company. Due to the current challenging business climate and financial position of the Group, the Company does not intend to fill the vacancy of the CEO position in the near future.

Nevertheless, taking into consideration the development and execution of the Company's long-term strategies and plans, which include maximising value creation for its stakeholders, the Board will continue to review the role of the CEO and will consider filling up the post of the CEO when deemed appropriate or a suitable candidate(s) is sought.

Provision 3.2

Roles of Chairman and CEO

As the Executive Chairman of the Company, Mr Ying Wei Hsein ensures that Board meetings are held as and when necessary. He leads the Board to ensure its effectiveness and approves the agenda of each Board meeting. Mr Ying Wei Hsein ensures that Board papers are prepared and presented to the Board for major decisions. Together with Management, he also ensures that Board members are provided with accurate, timely and clear information for their decision making. Further, he ensures that all agenda items included in the Board papers are provided sufficient airtime and adequately debated at Board meetings. Management staff who have prepared the Board papers, or who can provide additional insight into the matters to be discussed, are invited to present the Board papers or attend at the relevant time during the Board meetings. Mr Ying Wei Hsein monitors communications and relations between the Company and its shareholders, within the Board and between the Board and Management, with a view to encourage constructive relations and dialogue amongst them. Mr Ying Wei Hsein, in conjunction with the AC, promotes high standards of corporate governance. He also works to facilitate the effective contribution of all Directors.

Mr Ying Wei Hsein currently also takes a leading role in the business development of the Group and assumes the executive responsibility to the day-to-day management of the Group, with the support of Management. He also oversees the execution of the Group's long-term strategy and plans, and is responsible for steering the strategic direction and growth of the Group's businesses. Hence, the Board is of the view that despite the fact that the Company does not have a CEO, there is sufficient independent representation in the Board Committees, which comprises all IDs, to provide diversity of thought, and an independent and objective element to the Group and strategic level decision making, which enable the Board to make decisions in the best interest of the Company.

Provision 3.3

Lead ID

In view of the fact that the Executive Chairman is part of Management and is not independent, the Board has designated a Lead ID who serves as a sounding board for the Executive Chairman and as an intermediary between the IDs and the Executive Chairman. Mr Leow Chin Boon has been appointed as the Lead ID in compliance with the Code, to provide leadership in situations where the Executive Chairman, who is not independent, is conflicted. He will be available to shareholders where they have concerns and for which contact through the normal channels of the Executive Chairman or the head of finance has failed to resolve or is inappropriate. Led by the Lead ID, the IDs would meet, where necessary, without the presence of the other Directors and the Lead ID will provide feedback to the Executive Chairman after such meetings.

The Lead ID's role may include chairing Board meetings in the absence of the Executive Chairman, working with the Executive Chairman in leading the Board, and providing a channel to IDs for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary.

In addition, the Lead ID may also help the NC conduct annual performance evaluation and development succession plans for the Executive Chairman and the ED(s) and help the RC design and assess the remuneration of the Executive Chairman and the ED(s).

The Lead ID also makes himself available at all times when shareholders have concerns and for which contact through normal channels of the Executive Chairman, ED(s) or CEO (where applicable) are not practicably available or appropriate.

There were no queries or requests on any matters which required the Lead ID's attention in FY2022.

The Company has established a Whistle-Blowing Policy where employees and others may, in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to the Lead ID. The contact details for reporting of incidents under the Whistle-Blowing Policy have been made available to all employees and other via the Company's corporate website.

IDs' Meetings in Absence of Other Directors

After meeting with shareholders or when there are issues to be discussed, the Lead ID will lead meetings with other IDs, without the presence of the Executive Chairman or other EDs and/or NEDs, and provide feedback to the Executive Chairman of the Board after such meetings, if it necessary.

During FY2022, the IDs have met unofficially at least once to discuss the Company's matters without the presence of the Executive Chairman, and the Lead ID has also provided the feedback, where appropriate, to the Executive Chairman after such meetings.

Terms of Reference for Chairman, CEO and Lead Independent Director

The Board has reviewed and adopted the updated terms of reference for the Chairman, CEO and Lead ID in August 2022 to align with Principle 3 of the Code. The terms of reference establish and set out in writing the division of responsibilities between the Chairman and the CEO (when appointed). It also spells out the role and responsibilities of the Lead ID.

For FY2022, notwithstanding that the Company has not appointed any CEO, the Board takes a strategic approach to ensure appropriate resources, requisite competencies and sound systems and processes are in place to facilitate effective decision making and create value for its stakeholders. The Executive Chairman, who is knowledgeable in the business of the Group, provides the Group with strong and consistent leadership and allows for more effective planning and execution of long-term business strategies. He performs his executive functions to enable the Group to conduct its business efficiently and ensure that its decision-making process is not unnecessarily hindered. Further, the Lead ID plays an additional facilitative role within the Board, and where necessary, he may also facilitate communication between the Board and shareholders or other stakeholders of the Company.

In view of the above, the Company is of the view that the intent of Principle 3 of the Code is met as no one individual of the Board has unfettered powers of decision making.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board.

Provision 4.1

Roles and Duties of the NC

The Board established the NC with written terms of reference which clearly set out its authority and duties.

The NC reports to the Board directly. The terms of reference of the NC set out its duties and responsibilities. Amongst them, the NC is responsible for the following:

(a) Regularly and strategically review the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees (taking into account Rule 406(3)(c) of the Catalist Rules and the Provisions 2.1 to 2.4 of the Code). It will then recommend changes, if any, to the Board;

(b) Identifying and nominating candidates to fill Board vacancies as they occur;

(c) Requesting nominated candidates to disclose any existing or expected future business interests that may lead to a conflict of interest. This disclosure is to be included in any recommendations to the Board;

(d) Sending the newly-appointed Director a formal appointment letter which clearly sets out his/her roles and responsibilities, authority, and the Board's expectations in respect of his/her time commitment as a Director of the company;

(e) Recommending the membership of the Board Committees to the Board;

(f) Reviewing the independent status of NED(s) (in accordance with Rules 406(3)(d)(i), (ii), and (iii) of the Catalist Rules and the Provision 2.1 of the Code) and that of the alternate Director(s), if applicable, annually, or when necessary, along with issues of conflict of interest;

(g) Developing the performance evaluation framework for the Board, the Board Committees and individual Directors. The NC should also propose objective performance criteria for the Board, the Board Committees and individual Directors. It conducts the evaluations, analyses the findings and reports the results to the Board. The NC will also recommend areas that need improvement. This process can be assisted by independent third-party facilitators;

(h) Recommending that the Board removes or reappoints a NED at the end of his/her term. It may also recommend that shareholders re-elect Directors under the provisions of the Company's Constitution on the policy of retirement by rotation. In making these recommendations, the NC should consider the Director's performance, commitment and his/her ability to continue contributing to the Board;

(i) Reviewing other directorships held by each Director and decide whether or not a Director is able to carry out, and has been adequately carrying out, his/her duties as a Director;

(j) Identifying and developing training programmes/schedules for the Board and assist with similar programmes for the Board Committees and ensuring that all Board appointees undergo an appropriate induction programme;

(k) Reviewing and ensuring that there is a clear division of responsibilities between the Chairman and CEO of the Company in place;

(l) Reviewing the succession plans for the Board Chairman, Directors, CEO and KMP of the Company;

(m) Keeping up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Group and the industry in which it operates; and

(n) Undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules (where applicable).

Provision 4.2

NC Composition

The NC comprises three (3) Directors, all of whom, including the Chairman of the NC, are independent. The NC is chaired by an Independent NED and, as at the date of this report, the NC members are:

Mr Yeong Wai Cheong	Chairman
Mr Leow Chin Boon	Member
Mr Lim Hoon Tong	Member

Provision 4.3

Nomination and Selection of Directors

The NC will determine the criteria for the appointment of new Directors and will set up a process for the selection and appointment of such Directors, taking into consideration amongst others, diversity, composition and progressive renewal of the Board and the expertise and experience of each candidate.

In the search, nomination and selection process for new Directors, the NC identifies the key attributes that an incoming Director should have, based on a matrix of the attributes of the existing Board and the requirements of the Group. After endorsement by the Board of the key attributes, the NC taps on the resources of Directors' personal contacts as well as the personal and/or professional contacts of the professionals engaged by the Company to identify potential candidates, and goes through a shortlisting process. If candidates identified from this process are not suitable, executive recruitment agencies can be appointed to assist in the search process. Interviews are set up with potential candidates for NC members to assess them, before a decision is reached. The NC also oversees the re-appointment of Directors as and when their tenure of appointment is due. In assessing the Directors for reappointment, the NC evaluates several criteria including qualifications, contributions, performance, attendance, preparedness, participation, candour and independence of the Directors (if applicable).

In the nomination and selection process, the NC identifies the candidates and reviews the nominations for the appointments based on the following criteria:

(a) At least half of the Board shall be IDs; and

(b) The candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office, taking into account his/her participation and contributions during and outside board meetings, the candidate's track record, experience, capabilities and other relevant factors.

Re-election of Directors

Pursuant to the Company's Constitution:

(i) Regulation 84 – The Directors may from time to time appoint one or more of their body to be Managing Director (the "**MD**") or MDs or such equivalent position of the Company and may from time to time (subjected to provisions of any contract between him/her/them and the Company) remove or dismiss him/her/them from office and appoint another or others in his/her/their places. Where such an appointment is for a fixed term, such term shall not exceed five (5) years;

(ii) Regulation 86 – A CEO (who is also a Director) or MD shall subject to the provisions of any contract between him/her and the Company, be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company and, in the case of a MD, if he/she ceases to hold the office of Director from any cause he/she shall ipso facto and immediately cease to be a MD. During FY2022 and up to the date of this report, the Company did not appoint an MD;

(iii) Regulation 88 – Any person so appointed by the Directors shall hold office only until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting; and

(iv) Regulation 89 – At each AGM, one-third of the Directors for the time being (or, if their number is not multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and each Director (including a Director holding office as CEO or MD) shall retire at least once every three years.

In this respect, the Board has accepted the NC's nomination of the retiring Directors who had given their consent for re-election at the forthcoming AGM of the Company. The retiring Directors at the forthcoming AGM of the Company are:

(a) Mr Ying Wei Hsein, who was previously re-appointed to the Board on 29 January 2021, will retire pursuant to Regulation 89 of the Company's Constitution; and

(b) Mr Lim Hoon Tong, who was previously re-appointed to the Board on 29 January 2021, will retire pursuant to Regulation 89 of the Company's Constitution.

Mr Lim Hoon Tong will, upon re-election as a Director of the Company, remain as an ID of the Company, the Chairman of the RC and a member of the AC and NC of the Company. Mr Lim Hoon Tong is considered by the Board to be independent for the purposes of Rule 704(7) of the Catalist Rules.

In making the recommendation, the NC has considered the Directors' overall contributions and performance and whether the Directors have adequate time and attention to devote to the Company, in the case of Directors with multiple board representations. Each of Mr Ying Wei Hsein and Mr Lim Hoon Tong had abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own performance or re-election as a Director.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the retiring Director as set out in Appendix 7F of the Catalist Rules is disclosed below:

Name of Director	Ying Wei Hsein	Lim Hoon Tong
Date of Appointment	4 June 2019	29 February 2020
Date of last reappointment (if applicable)	29 January 2021	29 January 2021
Age	49	47
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process	The re-election of Mr Ying Wei Hsein as Executive Chairman was recommended by the NC. The Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director.	The re-election of Mr Lim Hoon Tong as ID was recommended by the NC. The Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director.

CORPORATE GOVERNANCE

Name of Director	Ying Wei Hsein	Lim Hoon Tong
Whether appointment is executive, and if so, the area of responsibility	Executive Mr Ying Wei Hsein will work with the Management as Executive Chairman to oversee the Group's corporate and operational functions.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman.	ID, Chairman of the RC and Member of the AC and NC.
Professional qualifications	• Bachelor of Accountancy and minor in Banking and Finance – Nanyang Technological University, Singapore • Fellow Member of the Institute of Singapore Chartered Accountants • Member of Singapore Institute of Directors	• Bachelor of Business (specialising in Financial Analysis) – Nanyang Technological University, Singapore • Chartered Financial Analyst • Fellow with Insolvency Practitioners Association of Singapore
Working experience and occupation(s) during the past 10 years	• Director, Singularity Consultancy Pte Ltd (May 2015 – Present) • Chief Financial Officer, China Energy Limited (September 2008 to December 2014)	• Director, AAG Corporate Advisory Pte Ltd (March 2020 – Present) • Director, Business Restructuring Services, PricewaterhouseCoopers Advisory Services Pte Ltd (October 2018 – February 2020) • Director, Restructuring Services, Deloitte & Touche Financial Advisory Services Pte Ltd (June 2010 - September 2018)
Shareholding interest in the listed issuer and its subsidiaries	None	None
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	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Name of Director	Ying Wei Hsein	Lim Hoon Tong
Other Principal Commitments including Directorships		
Past (for the last 5 years)	• Kung Management Services Pte Ltd • Spring Advisory Pte Ltd • Caroco Investment SA. • Sirius A Pte Ltd • Pacific Star Property Sdn Bhd • Pearl Discovery Property Management Sdn Bhd	• Nil
Present	• Minaret Holdings Limited • Pacific Star Development (Malaysia) Sdn Bhd • Pearl Discovery Development Sdn Bhd • PSD Singapore Pte Ltd • Tropical Sunrise Development Inc • Twin Prosperity Group Ltd • Singularity Consultancy Pte Ltd • East Gate Commodities Pte Ltd • Global ARC International Pte Ltd	• AAG Corporate Advisory Pte Ltd
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.		
(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?	None	None

Name of Director	Ying Wei Hsein	Lim Hoon Tong
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.		
(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?	None	None
(c) Whether there is any unsatisfied judgment against him?	None	None
(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?	None	None
(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?	None	None

Name of Director	Ying Wei Hsein	Lim Hoon Tong
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.		
(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?	None	None
(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?	None	None
(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?	None	None
(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? (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :–	None	None
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	None	None

Name of Director	Ying Wei Hsein	Lim Hoon Tong
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.		
(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	None	None
(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	None	None
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	None	None
(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?	None	None

Alternate Director

Currently, the NC does not have a practice of appointing alternate Directors. In the event that the need should arise, the NC will review this on a case by case basis. The NC notes that the appointment of an alternate Director is only in exceptional cases and for a limited period. The NC and the Board will review the period for the appointment of the alternate Director where necessary.

During FY2022, there were no alternate Directors on the Board.

Provision 4.4

Continuous Review of Directors' Independence

The Company has put in place a process to ensure the continuous monitoring of the independence of the Directors whereby the Directors must immediately report any change in their external appointments that could affect their independence on the Board.

The NC reviews the independence of each Director annually within the definition of independence in the Code, Practice Guidance and Rule 406(3)(d) of the Catalist Rules. Each ID has submitted his confirmation of independence for the NC's review on an annual basis. For FY2022, the NC has reviewed and confirmed the independence of the IDs, namely Mr Leow Chin Boon, Mr Yeong Wai Cheong and Mr Lim Hoon Tong. The Board is of the view that they are independent, taking into account the circumstances set forth in the Code and Rule 406(3)(d) of the Catalist Rules.

Provision 4.5

Directors' Time Commitments

Each Director is required to confirm annually to the NC as to whether he has any issue with competing time commitments which may impact his ability to provide sufficient time and attention to his duties as a Director of the Company. Based on the Directors' annual confirmation and the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at the Board and Board Committees' meetings, the NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2022.

In addition to the current procedures for the review of the attendance records and analysis of directorships, a policy has also been put in place for the Directors to notify the Board of any changes in their external appointments. This would allow the Director to review his time commitments with the proposed new appointment and in the case of an ID, to also ensure that his independence would not be affected.

As at the date of this report, the principal commitments of Mr Leow Chin Boon, the Lead ID, is a director of Moppetto Pte Ltd and Chief Financial Officer of Commeasure Pte Ltd; and Mr Yeong Wai Cheong, an ID, is a director of Drew & Napier LLC and Spiron Medical Pte. Ltd.. None of them holds any other directorship on any other listed company.

Information in respect of the listed company directorships and principal commitments of Mr Ying Wei Hsein, the Executive Chairman, and Mr Lim Hoon Tong, an ID, is disclosed in Provision 4.3 of this report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

Provisions 5.1 and 5.2

Performance Criteria

The Board, through the NC, has used its best efforts to ensure that Directors appointed to the Board and Board Committees, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and management skills critical to the Group's business. It has also ensured that each Director, with his special contributions, brings the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The NC has been tasked to assist the Board to develop a performance evaluation framework for the Board, Board Committees and individual Directors, propose performance criteria and assist in the conducting of the evaluation, analyse the findings and report the results to the Board.

The NC, together with the Board, has established a formal process setting out the performance criteria for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each individual Director to the effectiveness of the Board. This is aligned with the applicable principles and provisions set out in the Code.

The assessment parameters for each Director include his knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the intensity and quality of participation at meetings. The NC and the Board have relied on the abovementioned parameters to evaluate the Directors' contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors.

On an annual basis, all the Directors are required to complete individually each of the following:

- Board Performance Evaluation Questionnaire;
- AC Performance Evaluation Questionnaire;
- NC Performance Evaluation Questionnaire;
- RC Performance Evaluation Questionnaire; and
- Individual Director Self-Assessment Form.

For FY2022, the NC conducted a formal review of the performance evaluation of the Board, Board Committees and individual Directors, by way of circulating the questionnaires to the Board and Board Committees and self-assessment form to each individual Director for completion. The summary of findings of each evaluation together with the feedback and recommendations from the Board, Board Committees and each individual Director had been discussed and reviewed by the NC.

Board Evaluation Process

The evaluation serves to assess the effectiveness of the Board as a whole on the following parameters:

(a) Board composition;

(b) Board conduct of affairs;

(c) Internal controls and risk management;

(d) Board accountability;

(e) CEO (where applicable); and

(f) Standards of conduct.

Based on the summary of findings of the evaluation for FY2022 together with the feedback and recommendations from each Director, the NC is satisfied that the Board as a whole had met its performance objective in FY2022.

Board Committees Evaluation Process

The evaluation serves to assess the effectiveness of the Board Committees on the following parameters:

Audit Committee

(a) Membership and appointments;

(b) Meetings;

(c) Training and resources;

(d) Financial reporting;

(e) Risk management and internal control systems;

(f) Internal audit process;

(g) External audit process;

(h) Compliance;

(i) Anti-fraud;

(j) Whistle-blowing;

(k) IPTs and related party transactions;

(l) Reporting;

(m) Standards of conduct; and

(n) Communication with shareholders.

Nominating Committee

(a) Membership and appointments;

(b) Meetings;

(c) Training and resources;

(d) Reporting;

(e) Process for selection and appointment of new Directors;

(f) Board diversity;

(g) Nomination of Directors for re-election;

(h) Independence of Directors;

(i) Board performance evaluation;

(j) Succession planning;

(k) Multiple Board Representations;

(l) Chairman and CEO (where applicable);

(m) Standards of conduct; and

(n) Communication with shareholders.

Remuneration Committee

(a) Membership and appointments;

(b) Meetings;

(c) Training and resources;

(d) Remuneration framework;

(e) Reporting;

(f) Standards of conduct; and

(g) Communication with shareholders.

Based on the summary of the evaluation for FY2022 together with the feedback and recommendations from members of the respective Board Committees, the NC is satisfied that each of the Board Committees had met its performance objective in FY2022.

The primary objective of the Board evaluation exercise is to create a platform for the Board and Board Committees members to provide constructive feedback on the Board and Board Committees procedures and processes and the changes which should be made to enhance the effectiveness of the Board and Board Committees.

The NC has, without the engagement of an external facilitator, assessed the Board and Board Committees overall performance to-date and is of the view that the performance of the Board as a whole and Board Committees are satisfactory.

Individual Directors' Evaluation Process

The evaluation serves to assess the effectiveness of each of the individual Directors on the following parameters:

(a) Attendance at Board meetings and related activities;

(b) Adequacy of preparation for Board meetings;

(c) Contribution;

(d) Initiative;

(e) Knowledge of the senior management's job scope;

(f) Knowledge of the Group's business;

(g) Participation in constructive debate/discussion;

(h) Maintenance of independence (as applicable);

(i) Disclosure of IPTs; and

(j) Declaration of conflicts of interest.

Based on the summary of the evaluation for FY2022 together with the feedback and recommendations from the respective individual Directors, the NC is satisfied that each of the Directors had met his performance objectives in FY2022.

The individual Director(s) evaluation exercise assists the NC in determining whether to re-nominate Director(s) who are due for retirement at the forthcoming AGM of the Company, and in determining whether Director(s) with multiple board representations is/are able to and have adequately discharged his/their duties as Director(s) of the Company.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or his re-nomination as Director.

II. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: 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.

Provision 6.1

Roles and Duties of the RC

The Board established the RC with written terms of reference which clearly set out its authority and duties.

The RC reports to the Board directly. The terms of reference of the RC sets out its duties and responsibilities. Amongst them, the RC is responsible for the following:

(a) Determining the Group's remuneration policies. In doing so, it should also consider the Group's risk appetite and ensure that the policies are aligned to long-term goals;

(b) Ensuring that the level and structure of remuneration of the Board and KMP are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the strategic objectives of the Group;

(c) Setting the remuneration policy for Directors (both ED and NEDs) and KMP;

(d) Recommending the proposed NEDs' fees for shareholders' approval;

(e) Monitoring the level and structure of remuneration for KMP relative to the internal and external peers and competitors;

(f) Ensuring that the remuneration of the NEDs is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities;

(g) Reviewing the remuneration of employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;

(h) Reviewing the ongoing appropriateness and relevance of the Group's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered) and other benefit programmes (where appropriate);

(i) Obtaining reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants;

(j) Overseeing any major changes in employee benefits or remuneration structures;

(k) Reviewing the design of all long-term and short-term incentive schemes for approval by the Board and shareholders (as and where applicable);

(l) Ensuring that the contractual terms and any termination payments are fair to the individual and the Group and that poor performance should not be rewarded;

(m) Setting performance measures and determining targets for any performance-related pay schemes operated by the Group;

(n) Ensuring that a significant and appropriate proportion of EDs' and KMP's remuneration is structured so as to link rewards to corporate and individual performance;

(o) Working and liaising, as necessary, with all other Board Committees on any other matters connected with remuneration matters; and

(p) Undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules (where applicable).

Provision 6.2

RC Composition

The RC comprises three (3) NEDs, all of whom, including the Chairman, are independent. As at the date of this report, the RC members are:

Mr Lim Hoon Tong	Chairman
Mr Yeong Wai Cheong	Member
Mr Leow Chin Boon	Member

Provision 6.3

Remuneration Packages and Framework

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration, and for fixing the remuneration packages of individual Directors and KMP. No Director individually decides or is involved in the determination of his own remuneration.

The RC recommends to the Board for endorsement, a framework of remuneration for the Board and KMP to ensure that the structure is competitive and sufficient to attract, retain and motivate senior management to run the Group successfully in order to maximise shareholders' value.

The RC reviews the fairness and reasonableness of the contracts of service of the ED(s) and KMP. The RC aims to be fair and avoids rewarding poor performance. The RC covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and benefits-in-kind.

The RC reviews the terms and conditions of service agreements of the ED(s) and KMP before their execution. In the course of such review, the RC will consider the Group's obligations arising in the event of termination of ED(s) and KMP, to ensure that the service agreements contain fair and reasonable termination clauses and are not overly generous so as to avoid rewarding poor performance.

The service agreement for Mr Ying Wei Hsein is for an appointment period of one (1) year from 4 June 2019, renewable automatically every year, and does not contain onerous removal clauses. Notice period is fixed at no less than two (2) months in writing or otherwise as may be mutually agreed between Mr Ying Wei Hsein and the Company.

The current notice period for the Executive Chairman and KMP under their respective service contracts are less than six (6) months.

The RC is responsible for reviewing the compensation commitments arising from Directors' contracts of service in the event of early termination.

Provision 6.4

Engagement of Remuneration Consultants

If required, the RC will seek expert advice inside or outside the Company on remuneration of all Directors and KMP. The remuneration policy recommended by the RC is submitted for approval by the Board. The Company did not engage any external consultant for an assessment of remuneration for FY2022.

LEVEL AND MIX OF REMUNERATION

Principle 7: 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.

Provision 7.1

Remuneration of ED(s) and KMP

The Group's remuneration policy is to provide compensation packages at market rates which reward good performance and to attract, retain and motivate the ED(s) and KMP. It also motivates the ED(s) to provide good stewardship of the Group and KMP to successfully manage the Group for the long-term. The remuneration packages take into account the performance of the Group, the ED(s) and KMP.

The remuneration structure of the ED(s) and KMP comprises both fixed and variable components. The variable component is linked to the Group/Company's performance as well as the performance of the individual. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote long-term success of the Group.

The remuneration package of the ED consists of the following components:

(a) The fixed components comprise a basic salary and Central Provident Fund ("**CPF**") contribution;

(b) To ensure that the ED's remuneration is consistent and comparable with market practice, the RC regularly benchmarks remuneration components against those of comparable companies, while continuing to be mindful that there is a general correlation between increased remuneration and performance improvements;

(c) The variable components comprise a variable bonus based on the Group's and the individual's performance. Bonuses payable to ED are reviewed by the RC and approved by the Board to ensure alignment of their interests with those of shareholders and to promote the long-term success of the Group. Due to the financial condition of the Group, there was no variable component applicable to the Executive Chairman (Mr Ying Wei Hsein) during FY2022; and

(d) Benefits provided are consistent with market practice and include medical benefits and mobile phone allowance.

During FY2022, the Executive Chairman (Mr Ying Wei Hsein) is the sole ED on the Board.

Having reviewed and considered the variable components in the remuneration packages of the ED and KMP, the RC is of the view that the remuneration packages of the ED and KMP are aligned to the interests of shareholders and are not excessive. The variable portions are linked to individual performance, and are dependent on the performance of the Group, as well as the contribution of the individual to the Group's performance.

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the ED and KMP are commensurate with their performance and that of the Group, giving due regard to the financial and commercial health and business needs of the Group. The performance of the ED (together with other KMP) is reviewed periodically by the RC and the Board.

Employee Share Option Scheme

The Company's Employee Share Option Scheme (the "**ESOS**") for KMP, employees of the Group and Directors was approved by members of the Company at an extraordinary general meeting ("**EGM**") on 25 April 2013 and is administered by the RC.

The ESOS provides a means to recruit, retain and give recognition to employees and Directors who have contributed to the growth and success of the Group.

Details of the ESOS are disclosed in Note 27(c) to the financial statements.

Performance Share Plan

The Company also has in place a share award plan (also referred to as a performance share plan or "**PSP**") which was approved by shareholders during the Company's EGM on 29 January 2021. Employees and directors of the Group (including IDs, EDs and NEDs), including directors and employees of the Company's associated companies over which the Company has control and employees of the Company's parent company and its subsidiaries are eligible to participate in the PSP.

Details of PSP are disclosed in Note 27(d) to the financial statements.

Claw-back Provisions

The Company currently does not have any contractual provisions which allow it to reclaim incentives from the ED(s) and KMP. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group (and not on forward looking results) as well as the actual performance of its ED(s) and KMP, "claw-back" provisions in the service agreements may not be relevant or appropriate.

Provision 7.2

Remuneration of NEDs

The Board comprises of three (3) NEDs who are independent. There is a formal and transparent procedure for fixing the remuneration packages of the NEDs. It comprises of a basic retainer fee and additional fees for appointment as Chairman of the Board Committees and for additional meetings beyond the usual quarterly meetings. Directors' fees are not paid to ED(s). No Director is involved in deciding his own remuneration, except for providing information and documents specifically requested by the RC to assist in its deliberations.

The RC reviews the proposals put in place by the Company for rewarding the NEDs to ensure the compensation is commensurate with effort, time and role of the NEDs. The RC also ensures that in doing so, the independence of the IDs will not be compromised.

The NEDs are paid a Directors' fee for their efforts and time spent, responsibilities and contribution to the Board and Board Committees, subject to approval by shareholders at the AGM. Except as disclosed, the NEDs did not receive any other remuneration from the Group and they do not have any service agreements with the Company and/or the Group.

The total remuneration of the IDs is recommended for shareholders' approval at each AGM of the Company. Directors' fees for the IDs of $120,000 for FY2021 had been approved by shareholders at the last AGM of the Company held on 31 December 2021. For FY2022, Directors' fees for the IDs will remain as $120,000 to continue support of the Group's cost cutting and cash conservation measures aftermath of the 2019 Novel Coronavirus ("**COVID-19**") pandemic which impacted the Group's business operations. The said Directors' fees for FY2022, as recommended by the RC and endorsed by the Board, will be tabled for approval by shareholders at the forthcoming AGM of the Company.

Provision 7.3

Comparative, Attractive, and Motivative Remuneration Package

The RC also considered, in consultation with the Executive Chairman, amongst other things, their responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain and motivate Directors and KMP. The remuneration packages take into account the performance of the Group, the individual Directors and individual KMP.

The Executive Chairman does not receive any director's fee. The Company advocates a performance-based remuneration system for ED(s) and KMP that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus which is based on the Group's performance and the individual's performance such as management skills, process skills, people skills and business planning skills. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

The following performance conditions were chosen for the Company to remain competitive and to motivate the ED(s) and KMP to work in alignment with the goals of all stakeholders:

Performance condition	Performance criteria
Qualitative	1. Leadership and people development 2. Brand development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors
Quantitative	1. Profit before tax 2. Return on equity 3. Relative financial performance of the Group to its industry peers 4. Group's Cash flow

The quantitative performance conditions were not met for FY2022. Hence, no performance bonus was granted to the Executive Chairman and KMP.

DISCLOSURE ON REMUNERATION

Principle 8: 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.

Provision 8.1

Remuneration Criteria

The compensation packages for employees including the ED/CEO and the KMP comprised a fixed component (base salary), a variable component (cash-based annual bonus) and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

An annual review of the compensation is carried out by the RC to ensure that the remuneration of the ED/CEO and KMP are commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the ED/CEO (together with other KMP) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

Although the Code recommends full disclosure of the total remuneration paid to each individual Director and the ED/CEO on a named basis, the Board, after reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director, is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment.

The Company has also disclosed the remuneration paid to each Director, the Executive Chairman and KMP using bands of $50,000 for transparency. The procedure for setting remuneration is clearly disclosed and the relationships between remuneration, performance and value creation are disclosed through the Company's disclosure on its remuneration policies, as well as the disclosed remuneration in bands of no wider than $50,000 and the breakdown of the components of their remuneration. The Board is of the view that in light of the above and despite its deviation from Provision 8.1 of the Code, the Company has provided a high level of transparency on remuneration matters, as information on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation had been disclosed in detail in the preceding paragraphs. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each Director and KMP will not be prejudicial to the interest of shareholders and complies with Principle 8 of the Code.

Disclosure on Fees and Remuneration of Directors

The breakdown showing the level and mix of the remuneration payable to each individual Directors of the Company for FY2022 is set out below:

Remuneration Band and Name of Director	Salary[1]	Directors' Fees	Performance Related Bonus	Share-based Incentives	Allowances and Other Benefits
Below $50,000					
Mr Leow Chin Boon	–	100%	–	–	–
Mr Yeong Wai Cheong	–	100%	–	–	–
Mr Lim Hoon Tong	–	100%	–	–	–
Above $200,000 and up to $250,000					
Mr Ying Wei Hsein	100%	–	–	–	–

Note:

1 The salary shown are inclusive of CPF.

The aggregate remuneration accrued/paid to the Directors for FY2022 was approximately $372,240.

Disclosure on Remuneration of KMP

The Group had nine (9) KMP (excluding Executive Chairman) for FY2022 of whom four (4) resigned during FY2022. The gross remuneration received by the KMP (excluding Executive Chairman) for FY2022 and the breakdown showing the level and mix of the remuneration payable to each KMP is set out below:

Remuneration Band[1]	Number of KMP	Salary	Performance Related Bonus	Share-based Incentives	Allowances and Other Benefits
Above $150,000 to below $200,000	1	100%	–	–	–
$100,000 to below $150,000	2	100%	–	–	–
Below $100,000	6*	100%	–	–	–

* Includes members of KMP who resigned during FY2022

Notes:

1 The salary shown are inclusive of CPF/Employee Provident Fund in Malaysia, as applicable.

As at the date of this report, aside from the Executive Chairman, the Group has five (5) KMP, namely Mr Darren Chua (Chief Operating Officer ("**COO**") & Head of Legal), Ms Florence Wee (Executive Assistant to COO, and HR Manager), Mr Patrick Yeoh (Director of Sales and Leasing), Ms Aries Koh (Senior Manager, Leasing) and Mr Goh Jian Jiun (Assistant Finance Manager (*de facto* Head of Finance, Pearl Discovery Development Sdn. Bhd.)).

The aggregate remuneration paid to the KMP (excluding the Executive Chairman) for FY2022 was approximately $590,922.

The names and remuneration of each of the KMP are not disclosed as the RC and the Board are of the view that such disclosure may affect the retention or recruitment of competent personnel in the highly competitive business environment that the Group operates in as well as the competitive pressures in the talent market due to a limited talent pool, especially in Johor Bahru, Malaysia. The Group needs to maintain stability and business continuity and any attrition in the KMP team would not benefit the Group. Accordingly, due to confidentiality and sensitivity issues attached to remuneration matters, especially in the case where the key management team is relatively lean and each member of the key management team oversees mission-critical aspects of the Group's operations/functions, it would not be in the best interests of the Group to disclose the names and remuneration of each of the KMP as recommended by the Code.

The Company is transparent on remuneration policies as it has been disclosed not only as part of its compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of Executive Chairman and KMP and the factors taken into account for the remuneration of the NEDs.

All Directors and KMP are remunerated on an earned basis and there were no termination, retirement and post-employment benefits granted during FY2022.

The annual reviews of the compensation of Directors and KMP are carried out by the RC to ensure that their remuneration is commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Chairman together with other KMP and executive personnel is reviewed periodically by the RC and the Board.

Provision 8.2

Disclosure on Remuneration of Employee related to Directors/CEO/Substantial Shareholders

There were no employees who are substantial shareholders of the Company, or are immediate family members of any Director, CEO, or a substantial shareholder of the Company, and whose remuneration exceeds $100,000 during FY2022.

Provision 8.3

Details of ESOS and PSP

No share options under ESOS and awards under PSP were granted in FY2022.

III. ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: 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.

Provision 9.1

Nature and Extent of Risks

The Board is responsible for the governance of risks and sets the tone and direction for the Group in the way risks are managed in the Group's business. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk. The Board approves the key risk management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instills the right risk-focused culture throughout the Group for effective risk governance. The Company's current approach to risk management is set out in Note 31 of the financial statements.

The Board reviews regularly the adequacy and effectiveness of the Group's risk management framework and internal control systems and where necessary, conducts sessions with Management to understand the process to identify, assess, manage and monitor risks within the Group.

Risk Management

The Board has ultimate responsibility for approving the strategy of the Group in addressing shareholders' expectations and does not expose the Group to an unacceptable level of operational, financial and compliance risks.

The Group currently does not have a Risk Management Committee but Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and will highlight all significant matters to the Board and the AC. Having considered the size and scale of the Group's business and operations as well as its existing internal controls and risk management system, the Board is of the view that a separate risk committee is not required at the moment.

Internal Controls

The Board notes that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error losses, fraud and other irregularities.

In order to obtain assurance that the Group's risks are managed adequately and effectively, the Board had reviewed an overview of the risks which the Group is exposed to, as well as an understanding of what countermeasures and internal controls are in place to manage them.

The Board also reviews operational and regulatory compliance reports from Management to ensure compliance with all of the Group's operational practices and procedures and relevant regulatory requirements.

Management currently provides the Board with appropriately detailed results of the Group at least on a quarterly basis or when upon request in order for the Board to understand and make a balanced and informed assessment of the Group's financial and operational performance and prospects.

Due to the size of the Group's current operations, the Board is satisfied that such access to information is sufficient for its purposes.

Provision 9.2

Assurance from the Executive Chairman and de facto Head of Finance

The Board with the assistance of Management and the Internal Auditors ("**IA**") has undertaken an annual assessment on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management system annually. The assessment considered issues dealt with in reports reviewed by the Board during FY2022 together with any additional information necessary to ensure that the Board has considered all significant aspects of risks and internal controls for the Group for FY2022.

The Board's annual assessment in particular considered:

- The changes since the last annual assessment in the nature and extent of significant risks, and the Group's ability to respond to changes in its business and the external environment;

- The scope and quality of Management's ongoing monitoring of risks and of the system of internal controls and the work of its internal audit function and other providers of assurance;

- The extent and frequency of the communication of the results of the monitoring to the AC; and

- The incidence of significant internal controls weaknesses that were identified during the financial year.

For FY2022, the Board has received written assurance from the Executive Chairman and the *de facto* Head of Finance that as at 30 June 2022, 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 FY2022, the Board has also received written assurance from the Executive Chairman and the COO & Head of Legal, being the representative of KMP, that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place were adequate and effective as at 30 June 2022 to address the risks that the Group considers relevant and material to its business operations.

AUDIT COMMITTEE

Principle 10: The Board has an AC which discharges its duties objectively.

Provision 10.1

Roles and Duties of the AC

The Board established the AC with written terms of reference which clearly set out its authority and duties.

The AC reports to the Board directly. The terms of reference of the AC sets out its duties and responsibilities. Amongst them, the AC is responsible for:

(a) Reviewing the financial reporting issues and judgements so as to ensure the integrity of financial statements, and of announcements on the Group's and Company's financial performance and recommend changes, if any, to the Board;

(b) Reviewing and reporting to the Board on the adequacy and effectiveness of the Group's risk management and internal controls in relation to financial reporting and other financial-related risk and controls (and to the extent delegated to it by the Board);

(c) Reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;

(d) Reviewing the scope and results of the external audit, and the independence and objectivity of the EA. It shall then recommend to the Board the appointment, reappointment and removal of the EA, and its remuneration and terms of engagement;

(e) Ensuring that the Group complies with the requisite laws and regulations;

(f) Ensuring that the Group has programmes and policies in place to identify and prevent fraud;

(g) Overseeing the establishment and operation of the whistleblowing process in the Group;

(h) Reviewing all IPTs and related party transactions; and

(i) Undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules (where applicable).

Provisions 10.2 and 10.3

AC Composition

The AC comprises three (3) NEDs, all of whom, including the Chairman, are independent. As at the date of this Report, the AC comprises:

Mr Leow Chin Boon	Chairman
Mr Yeong Wai Cheong	Member
Mr Lim Hoon Tong	Member

None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve (12) months and none of the AC members holds any financial interest in the Company's external audit firm.

The Board is of the opinion that two (2) of the members of the AC have many years of experience in accounting and related financial management. The third member of the AC is an experienced practising lawyer and provides value-added insight from a legal perspective. Therefore, the AC is qualified to discharge its responsibilities.

The AC is responsible for assisting the Board in discharging its statutory and other responsibilities relating to internal controls, financial and other accounting matters as well as matters pertaining to regulatory compliance. The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities. The details of the Board member's qualifications and experience are presented in this report, under the section "Board of Directors".

The AC meetings were attended by the Executive Chairman, COO & Head of Legal, Executive Assistant to COO as well as the VP Finance (whilst she was still under the Company's employment) at the invitation of the AC. The Company's IA and EA were also present at the relevant junctures during these meetings.

Provision 10.4

Internal Audit Function

The Board recognises the importance of maintaining a system of internal controls, procedures and processes for the Group to safeguard the shareholders' investments and the Group's assets.

The Company's internal audit function is out-sourced to an independent third-party accounting firm and is independent of Management and the Board. The appointment of the auditing firm to perform such services was approved by the AC. The AC also approves the removal, evaluation and compensation of the IA. The AC's oversight and supervision of the Group's internal controls are complemented by the work of the IA. The IA's role is to assist the AC to ensure that the Group maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high risk areas. The IA has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

The AC reviews the adequacy and effectiveness of the internal audit function on a regular basis at least annually, including overseeing and monitoring the implementation of the improvements required for various internal control weaknesses identified by Management, the IA and the EA. The AC, together with the Board, assesses the Group's internal controls and risk management policies and processes to be assured that there are adequate internal controls in place.

The AC is responsible for the hiring, removal, evaluation and compensation of the IA. The internal audit plan complements that of the EA and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems.

The AC met the IA separately without the presence of Management at least once a year. The IA's primary line of reporting is to the Chairman of the AC.

The AC approves the internal audit plan and budget and ensures the adequacy and effectiveness of internal audit resources. The scope of the internal audit covers all business and support functions within the Group.

During FY2022, the IA conducted its audit review based on the approved internal audit plan. Upon completion of each audit assignment, the IA discussed its findings and recommendations to Management who would respond on the actions to be taken. The IA submitted its internal audit summary reports to the AC on the status of the audit plan and on audit findings and actions taken by Management on the findings.

The AC is satisfied that the internal audit work is carried out in accordance with the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors and is of the view that the Group's internal audit function is effective and adequately resourced.

By way of elaboration, the Group's internal audit function is outsourced to Wensen Consulting Asia (S) Pte Ltd ("**Wensen**"). The Wensen internal audit team is led by Mr Edward Yap, the Group Managing Director of Wensen. Mr Edward Yap, who founded Wensen in 2002, has significant experience performing internal audit services for Singapore listed companies. Mr Edward Yap started his career in 1995 where he audited a diversified portfolio of companies. In addition, he was also involved in special audits and financial due diligence reviews. Mr Edward Yap is currently a Practising Member of the Institute of Singapore Chartered Accountants, a Member of the Malaysian Institute of Accountants, a Fellow Member of the Association of Chartered Certified Accountants of the United Kingdom and a Chartered Member of the Institute of Internal Auditors of Malaysia. The Wensen team member supporting Mr Edward Yap is Mr Shawn Lee, who is a dedicated internal audit specialist with extensive knowledge and experience. Mr Shawn Lee, who is the engagement director for Wensen in relation to the internal audit of the Group, has over a decade of experience in internal audit. The AC is satisfied that Wensen has the relevant qualifications and experience to carry out its role and function as IA adequately and satisfactorily.

External Audit Function

The AC reviews the scope and results of the audit carried out by the EA, the cost effectiveness of the audit and the independence and objectively of the EA. It always seeks to balance the maintenance of objectivity of the EA and their ability to provide value-for-money professional services.

The AC assesses the independence of the EA annually. In addition, the AC reviewed the independence and objectivity of the EA through discussions with them as well as a review of the volume and nature of non-audit services provided by the EA during the financial year under review. The AC concluded that it is satisfied with the independence of the EA and that they have not been compromised by the provision of such non-audit services.

The Company has currently appointed a different auditing firm for a dormant subsidiary for statutory reporting purposes. Nonetheless, the Board and the AC are satisfied that the appointment of a different audit firm would not compromise the standard and effectiveness of the audit of the Group. Therefore, the Company complies with Rule 712 and 716 of the Catalist Rules.

The details of the fees of the auditors of the Group during FY2022 are set out as follow:

Fees on Audit Services to Independent Auditors:	**$'000**
Company's EA	149
Other Independent Auditors relating to the Group's overseas subsidiaries	–
Total	149
Fees on Non-Audit Services to Independent Auditors:	
Company's EA	13
Other Independent Auditors relating to the Group's overseas subsidiaries	–
Total	13

The Company's EA is a firm of Chartered Accountants in Singapore registered with the Accounting and Corporate Regulatory Authority. The other Independent Auditors engaged to audit one of the Group's dormant overseas subsidiary is a firm of Chartered Accountants registered with the Malaysian Institute of Accountants.

The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services do not prejudice the independence of the EA, and has recommended the re-appointment of Messrs Ernst & Young LLP as the EA of the Company at the forthcoming AGM.

The AC members take measures to keep abreast of changes of accounting standards and issues which have a direct impact on the Group's financial statements through attending training and seminars as well as receiving updates from the Group's EA.

The EA, in attendance at the quarterly meetings, provides updates to keep the AC abreast of changes in accounting standards or other codes and regulations, and issues which have a direct impact on the Group's financial statements.

Provision 10.5

Meeting with IA and EA without the presence of Management

In performing its function, the AC meets with both the IA and EA to discuss and evaluate the internal controls of the Group and review the overall scope of both internal and external audits. The AC also meets regularly with the Management, the *de facto* Head of Finance, IA and EA to keep abreast of any changes to the accounting standards and issues which could have a direct impact on the Group's financial statements. At least once a year and as and when required, the AC meets with the IA and EA without the presence of the Management, to review any matters that might be raised privately.

The AC has met the IA and EA separately, without the presence of Management, for FY2022 to:

- Obtain feedback on the competency and adequacy of the finance function;
- Enquire into the root causes for major audit adjustments and issues, if any; and
- Inquire if there are any material weaknesses of control deficiencies over the Group's financial reporting process and the corresponding effect on the financial statements as well as over other operational, compliance and information technology areas.

Whistle-Blowing Policy

The Company has adopted a Whistle-Blowing Policy which provides well-defined and accessible channels in the Group through which employees and others may raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

(i) independent investigations are carried out in an appropriate and timely manner;

(ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

(iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees and others will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

The Group also extended the Whistle-Blowing Policy to members of the public as well by means of the Company's corporate website where employees of the Group and external parties may make a report to the Chairman of the AC via email at whistleblowing@pacificstar-dev.com to raise their potential concerns under the Whistle-Blowing Policy. The objective for such arrangements is to ensure independent investigation of matters raised and to allow appropriate actions to be taken. All such investigations are undertaken by an appointed manager, if appropriate, who reports directly to the Chairman of the AC.

The identity of the whistleblower is kept confidential at all times, and the whistleblower will not be subject to detrimental or unfair treatment. The whistle-blowing policy and procedures are reviewed by the AC from time to time to ensure they remain relevant. The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

The AC did not receive any reports of whistle-blowing incidents during FY2022 and up to the date of this report.

Audit Committee Activities

In FY2022, the AC had, among others, carried out the following activities:

(a) Reviewed the quarterly and full-year financial statements announcements of the Group, and recommended to the Board for approval and release to the SGX-ST via SGXNet;

(b) Reviewed the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems;

(c) Reviewed IPTs of the Group;

(d) Reviewed and approved the annual audit plan of the EA;

(e) Reviewed and approved the internal audit plan of the IA, having considered the scope of the internal audit procedures;

(f) Reviewed the effectiveness of the Group's internal audit function;

(g) Reviewed the audit findings of the IA and Management's responses to those findings;

(h) Reviewed the independence of the EA;

(i) Reviewed the annual re-appointment of the EA and determined their remuneration, and made a recommendation for the Board's approval; and

(j) Met with the IA and EA once without the presence of Management.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: 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.

<u>Alternative Arrangements for AGMs held in 2020 and 2021</u>

Due to the COVID-19 safe management measures implemented in Singapore in 2020 and 2021, pursuant to, *inter alia*, the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment) Order 2020 (the "**Order**") which was gazetted on 13 April 2020, and the announcement by the Ministry of Law ("**MinLaw**") on 6 April 2021 that MinLaw, in consultation with relevant Ministries and agencies, had further extended the duration of legislation that enables entities to hold meetings via electronic means, beyond 30 June 2021, the Company adopted certain alternative arrangements in holding its AGMs in 2020 and 2021 (the "**Alternative Meeting Arrangements**"), including the following:

(i) The AGMs were held via electronics means;

(ii) Participation in the AGMs electronically by shareholders via "live" audio-visual webcast or "live" audio-only stream;

(iii) Appointment of only the Chairman of the AGMs by shareholders as their proxy to vote on their behalf at the respective AGMs if such shareholders wish to exercise their voting rights at the AGMs; and

(iv) Submission of questions on matters relating to the agenda of the respective AGM to the Company in advance.

In addition, the Company is not required to distribute physical copies of the annual report, the notice of the AGMs and related meeting documents. Such documents were available for download from the Company's corporate website and the SGX-ST's website.

Alternative Arrangement for AGM to be held on 30 December 2022 (the "**2022 AGM**")

The forthcoming 2022 AGM will be held by way of electronic means under the Alternative Meeting Arrangements notwithstanding the easing of COVID-19 safe management measures implemented in Singapore in 2022.

In order to keep physical interactions and COVID-19 transmission risk to a minimum, shareholders will not be able to attend the 2022 AGM in person. The same Alternative Meeting Arrangements as prior years' AGMs will be put in place for the 2022 AGM, except that for 2022 AGM, the Company will utilise both (i) real-time electronic voting; and (ii) real-time electronic communications, for shareholders to vote "live" and ask question "live" at the 2022 AGM.

Further details about the Alternative Meeting Arrangements for the 2022 AGM are set out and explained in the Notice of the 2022 AGM and related announcements, copies of which can be downloaded from the Company's corporate website or the SGX-ST's website.

The Company's previous AGM held on 31 December 2021 was also held via electronics means with similar Alternative Meeting Arrangements amid the COVID-19 pandemic. The Company will implement the necessary measures as described below as its usual practices on shareholders' rights and conduct of general meetings when it resumes physical general meetings.

Provision 11.1

Shareholders' Participation in General Meetings

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in newspapers and posted onto the SGXNet.

In order to provide ample time for the shareholders to review, the notice of AGM, together with the annual report, is distributed to all shareholders fourteen (14) days before the scheduled AGM date. Shareholders are encouraged to attend the general meetings to ensure a high level of participation and accountability.

If a shareholder is not able to attend in person, the shareholder is generally able to appoint one (1) or two (2) proxies to attend and vote in his/her/its stead at general meetings. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirements. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors, to appoint multiple proxies to attend and participate in general meetings. A proxy need not be a member of the Company.

In support of greater transparency of the voting process and to enhance shareholders' participation, the Company puts all resolutions proposed at the AGMs and/or EGMs to vote by poll since 2015. Shareholders who are present in person or represented by proxies will be entitled to one vote for each share held. A scrutineer is appointed to count and validate the votes cast at the meetings. The total number of votes cast for and against each resolution and the respective percentage are announced at the general meeting and released to the SGX-ST via SGXNet.

The Company strongly encourages shareholder participation during the AGM and/or EGM(s), if any. Shareholders are able to proactively engage with the Board and Management on the Group's business activities, financial performance and other business-related matters. Resolutions are passed through a process of voting by poll and shareholders are entitled to vote in accordance with established voting rules and procedures. The poll results in favour and against for each resolution put forth are presented during the AGM and/or EGM.

Provision 11.2

Conduct of Resolutions and Voting

Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting, unless the issues are interdependent and linked so as to form one significant proposal. If a scenario arises where the resolutions are inter-conditional, it is the Company's current intention to explain the reasons and material implications in the notice of meeting.

The Company typically ensures that there are separate resolutions at general meetings on each distinct issue. Detailed information on each item in the AGM and/or EGM agenda is provided in the explanatory notes to the notice of AGM and/or EGM.

Provision 11.3

Interaction with Shareholders

At each AGM, the Executive Chairman presents the performance of the Group and encourages shareholders to participate in a question and answer session. The EA is present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

The Chairmen of the Board and the AC, NC and RC, or members of the respective Committees standing in for them, are present at each AGM or EGM held by the Company, to address shareholders' queries. Appropriate senior management personnel/members are also present at general meetings to respond, if necessary, to operational questions from shareholders.

Save for the last EGM of the Company held on 22 February 2022, there were no other general meetings of the Company held during FY2022.

Provision 11.4

Absentia Voting

Voting in absentia, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

For the time being, the Board is of the view that this is adequate to enable shareholders to participate in AGMs and/or EGMs of the Company and is not proposing to amend its Constitution to allow votes in absentia.

Provision 11.5

Minutes of General Meetings

The Company prepares minutes of general meetings, which include substantive comments or queries from shareholders relating to the agenda of the AGM and/or EGM and responses from the Directors and/or Management. All minutes of the AGM and/or EGM will be made available on the Company's corporate website and SGXNet within one (1) month of the AGM and/or EGM.

Provision 11.6

Dividend Policy

The Group currently does not have a formal dividend policy. No dividend was declared for FY2022 as the Company did not report a profit. The Board will take into consideration the performance of the Group, including the operating results, financial condition, working capital requirements, capital expenditure needs, the terms of borrowing arrangements (if any), the level of cash and retained earnings, and other factors deemed relevant with a view to maximise shareholders' value.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: 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 view on various matters affecting the Company.

Provision 12.1

Communication with Shareholders

The AGM and EGM are the principal forum for dialogue with shareholders. The Company recognises the value of feedback from shareholders. During the general meetings, shareholders are given ample time and opportunities to air their views and concerns. All the Directors will endeavour to attend the AGMs and EGMs, and shareholders will be given the chance to share their thoughts and ideas or ask questions relating to the resolutions to be passed or on other corporate and business issues.

The Company believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible. The Company's officers promptly communicate with its shareholders and analysts whenever appropriate and attend to their queries or concerns. The Company's officers also manage the dissemination of corporate information to the media, public, institutional investors and public shareholders, and act as a liaison point for such entities and parties.

The Company believes in maintaining regular dialogue with shareholders and it encourages shareholders' participation at general meetings and analyst briefings which also act as a platform to solicit and understand the views of shareholders and to address shareholders' concerns.

Provisions 12.2 and 12.3

Investor Relations Policy

The Company currently does not have an investor relations policy as the correspondence with shareholders is relatively low in volume. However, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

The Company will assess the need to have such a policy as and when there is a substantial increase in such correspondence.

Disclosure of Information

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes and challenges in the Group's business which could have a material impact on the share price or value.

The Board understands its responsibility and provides to the shareholders on a timely basis a balanced and understandable assessment of the Group's performance, position and prospects when presenting interim and other price sensitive public reports, and reports to regulators (if required). The Board also ensures full disclosure of material information to shareholders in compliance with statutory requirements and the Catalist Rules, including the release of the Group's quarterly and full-year financial statements results announcements. Strong emphasis is placed on removing technical jargon and using simple language for clarity.

In line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner for all material developments that impact the Group through SGXNet on an immediate basis.

The Board recognises that it is accountable to shareholders for the Group's performance. The Board believes in transparency and strives towards timeliness in the dissemination of material information to the Company's shareholders and the public on a timely and non-selective basis. Pertinent information will be disclosed to shareholders through the SGXNet and press releases (if any) in a fair and equitable manner.

The Company does not practice selective disclosure of material information. The Group makes all necessary disclosures to the public via SGXNet. The Company values dialogue with its shareholders and believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible.

All material information relating to the Group's and Company's performance and developments are disclosed in a timely, accurate and comprehensive manner through SGXNet. The Company's corporate website also contains salient information relating to the Group, including details about its current property development project as well as the contact details for stakeholders to contact the Group's corporate headquarters in Singapore. The Company does not practice selective disclosure of material information.

V. MANAGING STAKEHOLDERS' RELATIONSHIPS

Principle 13: 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.

Provision 13.1

Stakeholders' Engagement

The Group seeks to regularly engage its stakeholders (which include its shareholders, employees, service providers, vendors, contractors, bankers and lenders) via various channels and modes of media with a view to align its business interests with those of its stakeholders. Such channels include the following:

(i) AGMs which are held annually and EGMs which are held from time to time to enable shareholders to obtain updates on the Company and the Group, approve financial statements, pose questions to Directors and Management and to partake in certain decisions and/or transactions of the Company or the Group;

(ii) regular meetings, including weekly conference calls and ad-hoc discussions, with employees to manage operations, sales, leasing, finance and other matters of the Group. During such meetings and where on-the-job training opportunities arises, employee development and training are also carried out; and

(iii) regular discussions and update meetings with service providers, contractors, bankers and lenders to discuss payment schedules, progress of work, update operational and sales matters etc to ensure all parties are up-to-date and aligned across the board.

It is axiom for the Group to understand and address its stakeholders' concerns so as to improve service and product standards, as well as to sustain business operations for long-term growth. The Group's stakeholders have been identified as those who impact as well as are impacted by the Group's business and operations.

Several key stakeholder groups have been identified through an assessment of their significance to the Group's business operations. These will be elaborated upon in the Company's Sustainability Report for FY2022 which will be released on the SGXNet by 31 January 2023.

Provision 13.2

Strategy and Key Areas of Focus

The Company and the Group have undertaken a process to determine the economic, environmental, social and governance issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. This would be elaborated upon in the Company's Sustainability Report for FY2022, which would be issued on or before 31 January 2023.

Sustainability Report

The Company upholds high standards of responsible, sustainable and socially aware business practices and is committed to incorporating sustainability in its corporate culture and improving the economic, environmental and social wellbeing of our stakeholders. The Company balances economic viability with sustainability and social progress for future generations. The Company is also cognisant of the challenges caused by the COVID-19 and remain committed to ensuring the safety of its guests and employees.

On 28 September 2022, the Company announced that it had submitted an application to the Singapore Exchange Regulation Pte Ltd ("**SGX RegCo**") for an extension of 2 months, from 30 November 2022 to 31 January 2023, for the Company to submit its Sustainability Report (the "**Extension**"). On 11 November 2022, the Company was informed by SGX RegCo that the SGX-ST has no objection to the Extension subject to the Company releasing its Sustainability Report for FY2022 by 31 January 2023. The Company will comply with Rule 711A of the Catalist Rules and targets to issue its Sustainability Report for FY2022 within the timeline stipulated by the SGX-ST.

Detailed information on the Group's efforts on sustainability management in FY2022 will be disclosed in the Sustainability Report for FY2022, which will be issued by 31 January 2023 and will also be published on the Company's corporate website and made available on the SGXNet.

Provision 13.3

Corporate Website

To promote regular, effective and fair communication with shareholders, the Company maintains a current corporate website, https://www.pacificstar-dev.com, through which shareholders are able to access up-to-date information on the Group. The website provides annual reports, financial information, profiles of the Group, whistle blowing email and contact details of the investor relations of the Group.

VI. DEALINGS IN SECURITIES

The Company has adopted a set of code of conduct to provide guidance to its officers regarding dealings in the Company's securities, in compliance with Rule 1204(19) of the Catalist Rules.

The Company has issued notices to its Directors, officers and employees to state that there must be no dealings in the Company's shares whilst they are in possession of unpublished material or price sensitive information and during the period commencing two (2) weeks before the announcement of the Group's results for each of the first three (3) quarters of the financial year and one (1) month before the announcement of the Group's full year results, as the case may be, and ending on the date of announcement of such financial results.

The Directors are also required to notify the Company of any dealings in the Company's securities within two (2) days of the transaction and to submit an annual confirmation on their compliance with the Code of Best Practices. Directors and officers are also discouraged from dealing in the Company's securities on short-term considerations.

VII. INTERESTED PERSON TRANSACTIONS

The Company has established internal control procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. All IPTs are recorded in an IPT Register and subject to quarterly review by the AC.

The Company does not have a general mandate from shareholders for IPTs. Should there be a need to, the Company will hold a shareholders' meeting to seek the necessary shareholders' approval.

At the EGM of the Company held on 22 February 2022, the shareholders of the Company (excluding CH Biovest Pte. Limited ("**CH Biovest**") which abstained from voting), approved the loan of $500,000 from CH Biovest to the Company (the "**CH Biovest Loan (II)**") which bears interest at 25% per annum (capitalised on a quarterly basis).

The IPTs during FY2022 are set out below for information. One component of the IPTs pertains to interest relating to the loan facility provided by PSDH to the Group (the "**PSDH Facility**") which had been assigned to CH Biovest (referred to as "**CH Biovest Loan (I)**"). The relevant interest rate pertaining to the CH Biovest Loan (I) is 5.0% per annum, applied towards an amount of $3,500,000. As the CH Biovest Loan (I) was assigned by PSD Holdings Pte. Ltd. ("**PSDH**"), shareholder's approval for this transaction was not required.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $
Finance costs			
CH Biovest	Controlling shareholder	134,098	44,149

The AC has reviewed the IPTs for FY2022 and is of the view that the transactions were on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

VIII. MATERIAL CONTRACTS

During FY2022, there subsisted a material contract between PSD Singapore Pte. Ltd. (a wholly-owned subsidiary of the Group) and PSDH (the control of which is now vested in the Trustee as defined under Note (f) of the "Statistics of Shareholdings" section of the Annual Report) in the form the PSDH Facility. Under the PSDH Facility, PSDH is the lender whilst PSD Singapore Pte. Ltd. is the borrower. Please refer to Note 20(c)(ii) of the financial statements for further information on the PSDH Facility, namely the principal amount of the loan, interest rate and terms.

On 19 September 2021, the Company announced that the Company had been informed that the loans owed by the Group to PSDH (the "**PSDH Loans**") have been assigned in full by PSDH to (i) CH Biovest and (ii) DB2 Investment Pte. Ltd. ("**DB2**") via a deed of assignment with effect from 30 April 2021 (the "**Deed of Assignment**"). The effects of the Deed of Assignment are as follows:

(a) CH Biovest, a controlling shareholder of the Company holding 35.52% of the shares in the share capital of Company, shall be assigned 76.63% of PSDH's rights, title, interest and benefits in and to PSDH Loans to the Group (and all other interest and benefits accruing under the PSDH Loans after 30 April 2021) with effect from 30 April 2021, free of all encumbrances; and

(b) DB2 shall be assigned 23.37% of PSDH's rights, title, interest and benefits in and to the PSDH Loans to the Group (and all other interest and benefits accruing under the PSDH Loans after 30 April 2021) with effect from 30 April 2021, free of all encumbrances. DB2 has no shareholding in the Company, and is not related to any director, controlling shareholder and/or their respective associates.

Other than as disclosed above, the CH Biovest Loan (I) and CH Biovest Loan (II) as disclosed under the "Interested Person Transactions" section of this report and the service agreement of the Executive Chairman, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of the Executive Chairman, any Director and/or controlling shareholder of the Company, either still subsisting at the end of FY2022 or if not then subsisting, which were entered into since the end of the previous financial year.

IX. NON-SPONSOR FEES

There were no non-sponsor fees paid to SAC Capital Private Limited during FY2022.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2022

The directors of the Company (the "**Directors**") hereby present their statement to the members together with the audited consolidated financial statements of Pacific Star Development Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2022.

Opinion of the Directors

In the opinion of the Directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(ii) based on the information available as at the date of this report and the assumptions as disclosed in Note 2.1 "Going concern assumption", as at the date of this statement there are uncertainties as to whether the Group and the Company are able to meet their contractual obligations in the next twelve (12) months as and when they fall due, and consequently, there are uncertainties as to their respective abilities to continue as going concerns for the next twelve (12) months. Notwithstanding the above, the Directors have assessed and are of the view that it is appropriate that the financial statements of the Group and the Company be prepared on a going concern basis.

Directors

The Directors in office as at the date of this statement are:

Ying Wei Hsein
Leow Chin Boon
Yeong Wai Cheong
Lim Hoon Tong

Arrangements to enable Directors to acquire shares and debentures

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

None of the Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, an interest in shares of the Company and its related corporation.

No Director who held office at the end of the financial year had interests in shares, share options, share awards, warrants or debentures of the Company or of related corporations, either at the beginning of the financial year or at the end of the financial year.

There was no change in the above-mentioned interests between the end of financial year and 21 July 2022.

Share Options

The Company's Employee Share Option Scheme (the "**ESOS**") for the Group's key management personnel and employees and Directors was approved by members of the Company at an Extraordinary General Meeting (the "**EGM**") on 25 April 2013 and is administered by the Remuneration Committee (the "**RC**").

The ESOS shall continue in force subject to a maximum period of ten (10) years from 25 April 2013, provided always that the ESOS may continue beyond the above stipulated period with the approval of shareholders of the Company by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

The ESOS provides a means to recruit, retain and give recognition to employees and Directors who have contributed to the growth and success of the Group.

Under the ESOS, options to subscribe for ordinary shares of the Company are granted to key management personnel, employees and Directors who have been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the RC may determine. The exercise price of the options is (i) determined at the volume weighted average of the Company's ordinary shares as quoted on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for five consecutive market days immediately preceding the date of the grant (the "**Market Price**"); or (ii) set at a discount not exceeding 20% of the Market Price. The vesting of the options is conditional on the recipient completing another (i) one year of service to the Group for options granted with the exercise price set at Market Price; or (ii) two years of service to the Group for options granted with the exercise price set at a discount to the Market Price. Once the options are vested, they are exercisable for a period of four years. The options may be exercised in full or in part on the payment of the exercise price.

Performance Share Plan

The Performance Share Plan (the "**PSP**") for employees of the Group, Directors and employees of the Company's parent company and its subsidiaries (the "**Participants**") was approved by members of the Company at an EGM on 29 January 2021 and is administered by the RC.

The PSP shall continue in force at the discretion of the RC, subject to a maximum period of ten (10) years from 29 January 2021. The PSP may continue beyond the above stipulated period with the approval of shareholders of the Company by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

The PSP is intended to complement the ESOS (or replace the ESOS when it expires) and serve as an additional and flexible incentive tool to further motivate Participants to greater dedication, loyalty, and a higher standard of performance, and to give due credit and recognition to the Participants who have contributed and committed themselves to the success of the Group.

The PSP is a share incentive plan that contemplates the award of fully paid shares of the Company when and after pre-determined performance or service conditions are accomplished and/or due recognition be given to any good work performance and/or any significant contributions to the Group made by the Participants (the "**Award**"). Participants are not required to pay for the grant of Award, or for the shares of the Company allotted or allocated pursuant to an Award.

Subject to the PSP and any amendment made or waiver granted by the RC in its absolute discretion, the shares comprised in an Award granted under the PSP to a Participant shall be released to such Participant in such manner as the RC may in its absolute discretion determine, so long as the salient performance target(s) is/are met.

Disclosures relating to ESOS and PSP

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued (excluding treasury shares and subsidiary holding) and issuable in respect of all options granted under the ESOS and Awards granted under the PSP, shall not exceed 15% of the issued share capital of the Company (excluding treasury shares and subsidiary holding) on the day preceding that date of grant of options under ESOS and/or date of grant of the Award under PSP.

During the financial year ended 30 June 2022, the Company did not grant any option or Award. As at 30 June 2022, the Company had no outstanding instruments convertible into shares of the Company. There was no share option or Award outstanding, cancelled and lapsed during the financial year ended 30 June 2022. Details of the ESOS and the PSP are disclosed in Note 27(c) and 27(d) respectively to the financial statements.

There are no participants under the ESOS and PSP who are Directors or controlling shareholders of the Company or their associate.

No participant under the ESOS and PSP has received 5% or more of the total number of shares under option available under the ESOS and Award under the PSP.

There are no Participants under the PSP who are employees of the Company's parent company and its subsidiaries.

Audit Committee

The Audit Committee (the "**AC**") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the Company's internal and external auditors, the internal and external auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group's and the Company's management to the external and internal auditors;
- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors (the "**Board**");
- Reviewed the effectiveness of the Group's and the Company's material internal controls, including financial, operational, compliance and information technology controls and their risk management at least annually;
- Met with the external auditor and internal auditor at least once annually, to discuss any problem and concern they may have;
- Reviewed and discussed with the external auditor, any suspected fraud or irregularity, or suspected infringement of any law, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and management's response;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Made recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;

Audit Committee (cont'd)

- Reviewed the adequacy and effectiveness of the Group's internal audit function at least annually, including the adequacy of internal audit resources and its appropriate standing within the Group, as well as the scope and results of the internal audit procedures;

- Reviewed policy and arrangements by which staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for such concerns to be raised, independently investigated and for appropriate follow up actions to be taken; and

- Reviewed and approved interested person transactions in accordance with the requirements of the SGX-ST Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

During the financial year ended 30 June 2022, the AC has met with internal and external auditors, without the presence of the Company's management, at least once.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Ying Wei Hsein
Director

Leow Chin Boon
Director

Singapore
15 December 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Pacific Star Development Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Pacific Star Development Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the balance sheets of the Group and the Company as at 30 June 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group and the balance sheet and the statement of changes in equity of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

<u>Use of the going concern assumption</u>

The Group's results for the financial year were adversely affected by the continuing challenges affecting the property market in Johor, Malaysia and incurred a net loss of $50,305,000. The Group generated negative operating cash flows of $26,765,000 during the financial year. As at 30 June 2022, the Group and Company are in net liability positions of $129,381,000 and $16,870,000 respectively. The Group's current assets mainly comprise development properties amounting to $122,684,000 as at 30 June 2022. The Group's total loans and borrowings includes $230,173,000 as non-current liabilities, and the Company's total loans and borrowings includes $4,398,000 as non-current liabilities of which the Group and Company do not have unconditional right to defer settlement for at least twelve (12) months after the reporting period due to non-compliance of covenant but continue to be classified as non-current liabilities as at 30 June 2022. Such loans and borrowing, for which the Group and Company do not have unconditional right to defer settlement for at least twelve (12) months after the reporting period, should be classified as current liabilities as required by Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-1 Presentation of Financial Statements.

These factors, the continuing challenges faced by the Group in selling its development properties and increasing level on cost of indebtedness, give rise to material uncertainties on the abilities of the Group and Company to continue as going concerns.

These financial statements have been prepared on going concern bases based on the assumptions as disclosed in Note 2.1 to the financial statements. However, we are unable to obtain sufficient appropriate evidence to conclude whether it is appropriate to use the going concern assumption to prepare these financial statements as the outcome of the Group's and Company's plans to address their liquidity challenges cannot be reasonably determined at this time and the ability of the Group to realise its development properties as planned is uncertain.

The carrying value of the assets as recorded on the balance sheets of the Group and Company as at 30 June 2022 has been determined based on the continuation as going concerns and recovery in the normal course of business. If the going concern assumption is not appropriate and the financial statements were presented on a realisation basis, the carrying value of assets and liabilities may be materially different from that currently recorded in the balance sheets. If the Group and Company were unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

Classification of loans and borrowings and associated withholding tax payable, and certain intercompany balances

As at 30 June 2022, the Group has classified loans of $230,173,000 and the associated withholding tax payable of $3,072,000 as non-current liabilities, which the Group's loans and borrowings do not have unconditional right to defer settlement for at least twelve (12) months after the reporting period due to non-compliance of covenant, as disclosed in Note 20(a)(i) and 22 respectively to the financial statements. No waiver was obtained from the lenders as at the reporting period, and accordingly the loans and borrowings become payable on demand and the Group does not have unconditional right to defer settlement of the liabilities for at least twelve (12) months after the reporting period.

As at 30 June 2022, the Company has similarly classified loans and borrowings of $4,398,000 as non-current liabilities of which the Company does not have unconditional right to defer settlement for at least twelve (12) months after the reporting period due to non-compliance of covenant as disclosed in Note 20(a)(i) to the financial statements. The Company has also classified amount due from subsidiaries of $3,345,000 included in other receivables and other assets, and amount due to subsidiaries of $15,324,000 included in other payables as disclosed in Note 17 and 22 respectively to the financial statements as non-current assets and non-current liabilities respectively notwithstanding that the intercompany amounts are subordinated to the certain loans and borrowings of the Group.

Accordingly, classifying the abovementioned amounts and loans and borrowing as non-current assets and non-current liabilities respectively of the Group and Company are not in compliance with SFRS(I) 1-1 Presentation of Financial Statements which require such items to be classified, as applicable, as current assets or current liabilities.

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 Companies Act 1967 (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 and Company's abilities to continue as a going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and/or the Company 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 Pacific Star Development Limited

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Auditor for the Audit of the Financial Statements

Our responsibility is to conduct the audit of the financial statements in accordance with Singapore Standards on Auditing ("**SSAs**") and to issue an auditor's report. However, because of the matters described in the Basis of Disclaimer of Opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by the subsidiary 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 Low Yen Mei.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

15 December 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Revenue	4	4,264	1,711
Cost of sales		(3,931)	(1,007)
Gross profit		333	704
Other operating income	5	341	543
Expenses:			
Administrative		(8,814)	(6,018)
Other expenses	6	(89)	(6,152)
Finance costs	7	(41,935)	(20,540)
Share of results of joint venture		(98)	(362)
Share of results of associate		(43)	(170)
Loss before tax	8	(50,305)	(31,995)
Income tax expense	9	–	–
Net loss for the financial year		(50,305)	(31,995)
Other comprehensive income, net of tax:			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation		226	(118)
Total comprehensive loss for the financial year		(50,079)	(32,113)
Earnings per share		**Singapore cents per share**	**Singapore cents per share**
Loss for the financial year attributable to owners of the Company			
Basic and diluted	10	(10.07)	(6.40)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 30 June 2022

	Note	Group 30 June 2022 $'000	Group 30 June 2021 $'000	Company 30 June 2022 $'000	Company 30 June 2021 $'000
Assets					
Non-current assets					
Property, plant and equipment	11	28	51	–	2
Right-of-use assets	12	–	171	–	–
Investment in subsidiaries	13	–	–	–	–
Deferred costs	14	75	272	–	–
Other receivables and other current assets	17	–	–	3,345	–
Total non-current assets		103	494	3,345	2
Current assets					
Deferred costs	14	406	254	–	–
Development properties	15	122,684	129,090	–	–
Trade receivables	16	667	845	–	–
Other receivables and other current assets	17	412	566	24	3,296
Cash at bank	18	1,710	149	34	14
Restricted cash	19	2,602	1,241	–	–
Total current assets		128,481	132,145	58	3,310
Total assets		128,584	132,639	3,403	3,312
Liabilities					
Non-current liabilities					
Loans and borrowings	20	230,173	46,671	4,398	–
Trade payables	21	–	51	–	–
Other payables	22	3,187	621	15,324	–
Total non-current liabilities		233,360	47,343	19,722	–
Current liabilities					
Loans and borrowings	20	2,525	118,352	–	3,651
Trade payables	21	9,115	11,975	–	–
Other payables	22	11,917	28,021	551	15,193
Lease liabilities	23	–	200	–	–
Deferred income	24	1	39	–	17
Joint venture	25	–	–	–	–
Associate	26	–	–	–	–
Current tax liabilities		1,047	6,011	–	–
Total current liabilities		24,605	164,598	551	18,861
Total liabilities		257,965	211,941	20,273	18,861
Net liabilities		**(129,381)**	**(79,302)**	**(16,870)**	**(15,549)**
Equity					
Capital and reserves attributable to owners of the Company					
Share capital	27(a)	47,801	47,801	197,055	197,055
Treasury shares	27(b)	–	–	(513)	(513)
Accumulated losses		(178,623)	(128,318)	(213,412)	(212,091)
Foreign currency translation reserve		1,441	1,215	–	–
Capital deficiency attributable to owners of the Company and total capital deficiency		**(129,381)**	**(79,302)**	**(16,870)**	**(15,549)**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2022

Group	Share capital $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Total capital deficiency $'000
	Attributable to owners of the Company			
2022				
Balance as at 1 July 2021	**47,801**	**(128,318)**	**1,215**	**(79,302)**
Net loss for the financial year	–	(50,305)	–	(50,305)
Other comprehensive income for the financial year, net of tax				
Currency translation differences arising from consolidation	–	–	226	226
Total comprehensive loss for the financial year	–	(50,305)	226	(50,079)
Balance as at 30 June 2022	**47,801**	**(178,623)**	**1,441**	**(129,381)**
2021				
Balance as at 1 July 2020	**47,801**	**(96,323)**	**1,333**	**(47,189)**
Net loss for the financial year	–	(31,995)	–	(31,995)
Other comprehensive income for the financial year, net of tax				
Currency translation differences arising from consolidation	–	–	(118)	(118)
Total comprehensive loss for the financial year	–	(31,995)	(118)	(32,113)
Balance as at 30 June 2021	**47,801**	**(128,318)**	**1,215**	**(79,302)**

Company	Share capital $'000	Treasury shares $'000	Accumulated losses $'000	Total capital deficiency $'000
2022				
Balance as at 1 July 2021	**197,055**	**(513)**	**(212,091)**	**(15,549)**
Net loss for the financial year, representing total comprehensive loss for the financial year*	–	–	(1,321)	(1,321)
Balance as at 30 June 2022	**197,055**	**(513)**	**(213,412)**	**(16,870)**
2021				
Balance as at 1 July 2020	197,055	(513)	(197,626)	(1,084)
Net loss for the financial year, representing total comprehensive loss for the financial year*	–	–	(14,465)	(14,465)
Balance as at 30 June 2021	**197,055**	**(513)**	**(212,091)**	**(15,549)**

* The net loss for the financial year ended 30 June 2022 included $Nil (30 June 2021: $13,246,000) of impairment of investment in subsidiaries which were eliminated on consolidation.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2022

	2022 $'000	2021 $'000
Cash flows from operating activities		
Loss before tax	(50,305)	(31,995)
Adjustments for:		
Finance costs	41,935	20,540
Amortisation of deferred costs	279	206
Depreciation of right-of-use assets	155	253
Share of results of joint venture	98	362
Write-down of development properties	79	4,473
Share of results of associate	43	170
Depreciation of property, plant and equipment	28	25
Allowance/(Reversal) of expected credit losses on trade receivables	10	(9)
Interest income	(61)	(68)
Remission of Goods and Services Tax ("**GST**")	(43)	–
Amortisation of deferred income	(30)	(139)
Forfeiture income	(12)	–
Gain on disposal of property, plant and equipment	(7)	(69)
Others	(7)	–
Effects of cancellation of sale and purchase agreements	–	1,617
Operating cash flow before working capital changes	**(7,838)**	**(4,634)**
Movement in working capital:		
Changes in trade, other receivables and other current assets	318	1,924
Changes in development properties	2,570	395
Changes in trade and other payables	(17,394)	114
Changes in deferred income	–	102
Changes in deferred costs	(64)	(66)
Effects of currency translation on working capital	2,607	460
Cash flows used in operations	(19,801)	(1,705)
Interest income received	61	68
Finance costs paid	(2,127)	(2,089)
Income tax paid	(4,898)	(685)
Net cash used in operating activities	**(26,765)**	**(4,411)**
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	21	69
Funding to joint venture	(98)	(362)
Funding to associate	(43)	(170)
Purchase of property, plant and equipment	(21)	(7)
Net cash used in investing activities	**(141)**	**(470)**
Cash flows from financing activities		
Proceeds from loans from a group of lenders	34,030	–
Proceeds from loan from a related party	500	–
Proceeds from loans from third parties	200	–
Movement in restricted cash	(5,251)	(117)
Net (repayment)/proceeds from bank loan	(719)	1,932
Repayment of lease liabilities	(182)	(253)
Net cash generated from financing activities	**28,578**	**1,562**
Net increase/(decrease) in cash and cash equivalents	1,672	(3,319)
Effects of currency translation on cash and cash equivalents	(62)	(11)
Cash and cash equivalents at the beginning of the financial year	(2,425)	905
Cash and cash equivalents at the end of the financial year (Note 18)	**(815)**	**(2,425)**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Pacific Star Development Limited (Company Registration No.: 198203779D) (the "**Company**") is a public limited liability company incorporated and domiciled in Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The trading of the Company's shares on SGX-ST has been voluntarily suspended since 24 March 2020.

The registered office and the principal place of business of the Company is located at 2 Venture Drive, #24-01 Vision Exchange, Singapore 608526.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 13.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest thousand ($'000), except when otherwise indicated.

Going concern assumption

The Group's results for the financial year ended 30 June 2022 were adversely affected by the weak property market in Iskandar and high finance costs. The Group incurred a net loss of $50,305,000. As at 30 June 2022, the Group's capital deficiency amounted to $129,381,000 and the Group's loans and borrowings amounted to $232,698,000, of which $2,525,000 were classified as current liabilities. The Group's current assets of $128,481,000 mainly comprise development properties amounting to $122,684,000 as at 30 June 2022.

The Company incurred a net loss of $1,321,000 for the financial year ended 30 June 2022. As at 30 June 2022, the Company's current liabilities exceeded its current assets by $493,000 and its capital deficiency amounted to $16,870,000.

The above factors and the challenging property market conditions in Iskandar could adversely impact the sale of the Group's development properties and give rise to material uncertainties on the abilities of the Group and the Company to continue as going concerns.

In the assessment of going concern, the Board of Directors of the Company (the "**Board**") has considered the following factors:

The ability of the Company to operate as a going concern is dependent on:

(i) its ability to obtain financing to meet its near-term obligations;

(ii) the sale of the Group's unsold units at Puteri Cove Residences and Quayside ("**PCR**") and the timely repatriation of such profits; and

(iii) the going concern of the Group.

2. Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Going concern assumption (cont'd)

In the assessment of the Group's going concern, the Board has considered the following factors:

(i) the Russia-Ukraine war, global supply chain disruptions, inflationary pressure and recent significant interest rate hikes and the depreciation of the Malaysian Ringgit against the Singapore Dollar;

(ii) the Group is in various stages of discussions with various parties in relation to the sale of significant numbers of units in PCR;

(iii) the Group's cash flow requirements for the next twelve (12) months; and

(iv) although the Lenders (Note 20(a)) are not in a position to provide a waiver of the Non-Compliance Of LTV (Note 20(a)(i)), they remain supportive of the Group and continue to engage in constructive discussions with the Group.

The Board considered the above and concluded that:

(a) although Singapore and Malaysia have re-opened their borders, the improvement in business sentiment and economic recovery are still at a nascent stage. Hence, the crystallisation of such discussions as presented in item (ii) above may be delayed. Despite the Group's best efforts, the fruition of such measures as described in item (ii) above is uncertain and not within the control of the Group;

(b) the sale of units in PCR to individual buyers has not recovered to pre-COVID-19 levels;

(c) currently, there are still uncertainties as whether new variants of COVID-19 will emerge and how various governments' plans to co-exist with COVID-19 will pan out; and

(d) there are increased macroeconomic concerns with the ongoing Russia-Ukraine war, global inflation worries, interest rate hikes, depreciation of the Malaysian Ringgit against the Singapore Dollar and supply chain disruptions which could weigh down on any post-COVID-19 recovery.

Based on current circumstances, there is uncertainty as to whether the Group and the Company are able to meet their contractual obligations in the next twelve (12) months as and when they fall due. Consequently, there is uncertainty as to their respective abilities to operate as going concerns for the next twelve (12) months. Notwithstanding the above, the Board has assessed and is of the view that it is appropriate that the financial statements of the Group and the Company be prepared on a going concern basis.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively (collectively referred to herein as the "**Adjustments**").

Presently, due to the uncertainties involved, management is unable to quantify the Adjustments (if any are required). Hence, no adjustments have been made to the balances presented in the balance sheets of the Group and the Company to account for the Adjustments.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year except in the current financial year, the Group and the Company have adopted all the new and amended standards which are relevant to the Group and the Company and are effective for annual financial periods beginning on or after 1 July 2021.

The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following applicable standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Directors expect that the adoption of the above standards will have no material impact on the Group's and the Company's financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of each of the reporting periods. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.

- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.

- No additional goodwill is recognised as a result of the combination.

- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

2.5 Foreign currencies

The functional currency of the Company is Singapore Dollars ("**SGD**" or "**$**") as it reflects the primary economic environment which the Company operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the entities within the Group and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Translation

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of each of the reporting periods and their profit or loss are translated at the average exchange rates prevailing during the reporting period. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.6 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when/as the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service.

A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of development properties

The Group develops and sells residential and commercial properties before and upon completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer at a point in time, depending on the contractual terms.

(b) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as administrative expenses over the lease term on a straight-line basis.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Forfeiture income

Deposit collected from customer pertaining to contract is forfeited and recognised as income when the customer cancels the contract or when the Group evokes the terms of the contract for non-performance on the part of the customer. Forfeiture income is recognised in the profit or loss as incurred.

2.7 Leases

(a) As lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Summary of significant accounting policies (cont'd)

2.7 Leases

(a) As lessee (cont'd)

(i) Rights-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful lives
Office space	3 years
Office equipment	2 years
Motor vehicle	2 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful lives of the asset.

The right-of-use assets are also subject to impairment as set out in the accounting policies on impairment on non-financial assets in this set of financial statements.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office equipment (i.e., those leases that have a lease term of twelve (12) months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Summary of significant accounting policies (cont'd)

2.7 Leases(cont'd)

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the profit or loss. Contingent rents are recognised as income in the period in which they are earned. The accounting policy for rental income is set out in Note 2.6(b). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an inventory property that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation commences when: (1) the Group incurs expenditures for the asset; (2) the Group incurs borrowing costs; and (3) the Group undertakes activities that are necessary to prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.9 Employee benefits

(a) Defined contribution plans

The Group participates in national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, and the Malaysian companies in the Group make contributions to the Employees Provident Fund scheme in Malaysia, which are defined contribution pension schemes. Contributions to defined contribution pension schemes are recognised as expense in the period in which the related service is performed.

(b) Employees share option plan

Participants of the employee share option plan may receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with participants is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the share options reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employees benefit expense.

The share options reserve is transferred to retained earnings upon expiry of the share option.

2. Summary of significant accounting policies (cont'd)

2.9 Employee benefits (cont'd)

(c) Performance share plan

The cost of equity-settled transactions is determined by the fair value at the date when the award is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the participant. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

2.10 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.10 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included, if any.

2.11 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure relating to construction is capitalised as capital work-in-progress when incurred and no depreciation is provided until the construction is completed.

2. Summary of significant accounting policies (cont'd)

2.11 Property, plant and equipment (cont'd)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives
Motor vehicles	5 to 6 years
Computer equipment	1 year
Office equipment and furniture and fittings consist of:	
- Artworks	3 years
- Office equipment	3 years
- Furniture and fittings	4 years
- Show units	4 years
- Renovations	5 years
- Plant and equipment	1 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful lives and depreciation method are reviewed at each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the period the asset is de-recognised.

2.12 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it 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.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 Associate and joint venture

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is an entity over which the Group and its partners have joint control over the entity's operations via a contractual arrangement.

The Group accounts for its investment in associate and joint venture using the equity method from the date which it becomes an associate or joint venture respectively.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

2. Summary of significant accounting policies (cont'd)

2.13 Associate and joint venture (cont'd)

Under the equity method, the investment in associate or joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or joint venture. The profit or loss reflects the share of results of the operations of the associate or joint venture. Distributions received from associate or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations (contractual or constructive) or provided advance/loans to or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired.

If there is objective evidence that impairment has arisen, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate and joint venture are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.14 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.15 Development properties

Development properties, being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are measured at the lower of cost and net realisable value ("**NRV**").

Principally, this is residential and commercial properties that the Group develops and intends to sell before, or on completion of development.

2. Summary of significant accounting policies (cont'd)

2.15 Development properties (cont'd)

Cost incurred in bringing each property to its present location and condition includes, among others, freehold land use rights, amounts incurred in relation to development, planning and design costs, costs of site preparation, professional fees, finance costs and other related direct costs.

Development properties are measured at lower of cost and NRV

Completed development properties/development properties under construction (i.e. unsold units) are measured at the lower of cost and NRV.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs to completion and the estimated costs necessary to make the sale.

When a development property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying value of development properties recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.16 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

2. Summary of significant accounting policies (cont'd)

2.16 Financial instruments (cont'd)

(a) Financial assets (cont'd)

<u>Subsequent measurement</u> (cont'd)

<u>Investments in debt instruments</u> (cont'd)

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss ("FVPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instruments that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

<u>De-recognition</u>

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

All financial liabilities are recognised initially at fair value, plus directly attributable transaction costs. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

<u>Initial recognition and measurement</u>

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at FVPL, directly attributable transaction costs.

<u>Subsequent measurement</u>

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.16 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expired. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.17 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at FVPL and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve (12) months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of significant accounting policies (cont'd)

2.20 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful lives of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.21 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Treasury shares

The Group's own equity instruments which are re-acquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified and no dividends are allocated to them.

3. Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in Note 2, management has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revision to accounting estimates is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

Significant judgments made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such evidence or indication exists, based on the evaluation of both internal and external sources of information. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Based on management's assessment, as at 30 June 2022, other than the impairment of investment in subsidiaries, which has been fully provided in prior years, and development properties, there were no indicators of impairment of other non-financial assets.

3. Critical accounting judgments and key sources of estimation uncertainty (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Estimation of NRV for development properties

Development properties are stated at lower of cost or NRV. NRV is assessed with reference to the estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions or indicative offers. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration estimated budget and work to be done.

The Group's carrying value of development properties as at 30 June 2022 is $122,684,000 (30 June 2021: $129,090,000).

During the financial year ended 30 June 2022, $79,000 (2021: $4,473,000) of write-down of development properties was charged to the Group's profit or loss.

(b) Estimation of the recoverable value of the Company's investment in subsidiaries

An estimate of the projected cash flow from the Company's investment in subsidiaries is made when there is indication that impairment exists. The projected cash flow is based on assumptions, including, amongst others, the expected performance, the materialisation of the business plans and macroeconomic environment that is beyond the control of management, which are inherently subjected to uncertainties. The recoverable value of the Company's investments in subsidiaries represents management's best estimate as at the end of the reporting period.

The Company's investment in subsidiaries as at 30 June 2022 and 30 June 2021 were fully impaired.

During the financial year ended 30 June 2022, impairment of investment in subsidiaries amounted to $Nil (30 June 2021: $13,246,000) was charged to the Company's profit or loss.

4. Revenue

	Group	
	2022	2021
	$'000	$'000
Sale of development properties	4,264	1,711

The following table provides information about receivables from contracts with customers.

	Group	
	2022	2021
	$'000	$'000
Receivables from contracts with customers (included in "Trade receivables") (Note 16)	531	581

5. Other operating income

	Group	
	2022	2021
	$'000	$'000
Rental income	94	99
Interest income	61	68
Remission of GST	43	–
Government grants	30	139
Forfeiture income	12	–
Gain on disposal of property, plant and equipment	7	69
Reversal of expected credit losses	–	9
Others	94	159
	341	543

6. Other expenses

	Group	
	2022	2021
	$'000	$'000
Write-down of development properties	79	4,473
Provision for expected credit losses	10	–
Effects of cancellation of sale and purchase agreements	–	1,173
Adjudication costs and related expenses	–	340
Penalties and fine	–	166
	89	6,152

7. Finance costs

	Group	
	2022	2021
	$'000	$'000
Loans from a group of lenders:		
- interest expense	37,613	15,944
- amortisation of transactional costs	–	458
Loan from a bank:		
- interest expense	2,288	2,412
- amortisation of transactional costs	408	(13)
Interest expense on:		
- contractors, creditors and an affiliate of a group of lenders	1,216	1,379
- bank overdraft and late payment interest	183	162
- loans from a related party	178	175
- loans from third parties	44	–
- lease liabilities	5	23
	41,935	20,540

8. Loss before tax

The following items have been included in arriving at loss before tax:

	Group	
	2022	2021
	$'000	$'000
Foreign exchange net loss	2,313	571
Employee benefit expense (including Directors):		
- salaries	1,298	1,431
- contributions to defined contribution plans	145	168
- staff welfare	5	18
Amortisation of transaction costs:		
- bank loan	408	(13)
- loan from a group of lenders	–	458
Amortisation of deferred costs	279	206
Depreciation:		
- right-of-use assets	155	253
- property, plant and equipment	28	25
Audit fees - auditor of the Company	164	159
Directors fees	120	120
Non-audit fees - auditor of the Company	13	6
Write-down of development properties	79	4,473
Provision/(Reversal) of expected credit losses on trade receivables	10	(9)
Interest income	(61)	(68)
Remission of GST	(43)	–
Amortisation of deferred income	(30)	(139)
Forfeiture income	(12)	–
Gain on disposal of property, plant and equipment	(7)	(69)
Effects of cancellation of sales and purchase agreements	–	1,173

9. Income tax expense

There were no income tax expense for the financial year ended 30 June 2022 and 30 June 2021.

Relationship between tax expense and accounting loss

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the respective financial years are as follow:

	Group	
	2022	**2021**
	$'000	**$'000**
Accounting loss before tax	(50,305)	(31,995)
Tax calculated using Singapore tax rate at 17% (2021: 17%)	(8,552)	(5,439)
Effects of tax rates in foreign jurisdictions	5,319	1,929
Deferred tax assets not recognised	2,832	3,054
Expenses not deductible for tax purposes	433	555
Effects of share of results of joint venture	17	62
Effects of share of results of associate	7	29
Income not subjected to tax	(56)	(190)
Income tax expense recognised in profit or loss	–	–

Unrecognised tax losses

As at 30 June 2022, deferred tax assets have not been recognised in respect of tax losses of the Group amounting to approximately $27,145,000 (30 June 2021: $17,026,000) because it is uncertain that future taxable profit will be available against which the Group can utilise the benefits which is subject to the agreement of tax authority of the jurisdiction that the subsidiary operates.

10. Earnings per share

	Group	
	2022	**2021**
	$'000	**$'000**
Loss attributable to owners of the Company used in the computation of basic and diluted earnings per share	(50,305)	(31,955)
	No. of shares '000	**No. of shares '000**
Weighted average number of ordinary shares (excluding treasury shares) for basic and diluted earnings per share	499,661	499,661
	Singapore cents per share	**Singapore cents per share**
Earnings per share		
Basic and diluted	(10.07)	(6.40)

10. Earnings per share (cont'd)

The basic earnings per share are calculated by dividing the loss for the financial year attributable to owners of the Company, by the weighted average number of ordinary shares (excluding treasury shares) in issue during the financial year.

The diluted earnings per share are calculated by dividing the loss for the financial year attributable to owners of the Company and adjusted for interest expense on convertible redeemable shares (if any), by the weighted average number of ordinary shares (excluding treasury shares) in issue as adjusted for the effects of all dilutive potential ordinary shares during the financial year.

The basic and diluted earnings per share for the financial year ended 30 June 2022 and 30 June 2021 were the same as there were no potentially dilutive instruments in issue.

11. Property, plant and equipment

Group	Motor vehicles	Computer equipment	Office equipment and furniture and fittings	Show units	Renovations	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost:						
As at 1 July 2020	534	526	78	490	298	1,926
Additions	–	7	–	–	–	7
Disposals/written off	(398)	(19)	(1)	–	–	(418)
Exchange differences	(1)	(1)	1	(3)	–	(4)
As at 30 June 2021 and 1 July 2021	135	513	78	487	298	1,511
Additions	12	8	1	–	–	21
Disposals/written off	(135)	(351)	(31)	–	(298)	(815)
Exchange differences	(1)	(4)	(2)	(12)	–	(19)
As at 30 June 2022	11	166	46	475	–	698
Accumulated depreciation:						
As at 1 July 2020	534	525	38	490	270	1,857
Depreciation charged	–	2	15	–	8	25
Disposals/written off	(398)	(19)	(1)	–	–	(418)
Exchange differences	(1)	–	–	(3)	–	(4)
As at 30 June 2021 and 1 July 2021	135	508	52	487	278	1,460
Depreciation charged	–	14	7	–	7	28
Disposals/written off	(135)	(352)	(29)	–	(285)	(801)
Exchange differences	–	(4)	(1)	(12)	–	(17)
As at 30 June 2022	–	166	29	475	–	670
Net carrying amount:						
As at 30 June 2021	–	5	26	–	20	51
As at 30 June 2022	11	–	17	–	–	28

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

Company	Computer equipment	Office equipment and furniture and fittings	Total
	$'000	$'000	$'000
Cost:			
As at 1 July 2020	329	1	330
Additions	3	–	3
Disposals/written off	(8)	–	(8)
As at 30 June 2021 and 1 July 2021	324	1	325
Disposals/written off	(320)	–	(320)
As at 30 June 2022	4	1	5
Accumulated depreciation:			
As at 1 July 2020	329	1	330
Depreciation charged	1	–	1
Disposals/written off	(8)	–	(8)
As at 30 June 2021 and 1 July 2021	322	1	323
Depreciation charged	3	–	3
Disposals/written off	(321)	–	(321)
As at 30 June 2022	4	1	5
Net carrying amount:			
As at 30 June 2021	2	–	2
As at 30 June 2022	–	–	–

12. Right-of-use assets

Group	Office space	Office equipment	Motor vehicle	Total
	$'000	$'000	$'000	$'000
Cost:				
As at 1 July 2020, 30 June 2021 and 1 July 2021	546	41	91	678
Retirement	(546)	(41)	(91)	(678)
As at 30 June 2022	–	–	–	–
Accumulated depreciation:				
As at 1 July 2020	199	16	39	254
Depreciation charged	199	15	39	253
As at 30 June 2021 and 1 July 2021	398	31	78	507
Depreciation charged	132	10	13	155
Retirement	(530)	(41)	(91)	(662)
As at 30 June 2022	–	–	–	–
Net carrying amount:				
As at 30 June 2021	148	10	13	171
As at 30 June 2022	–	–	–	–

Further information on lease liabilities is set out in Note 23.

13. Investment in subsidiaries

	Company	
	30 June 2022 $'000	30 June 2021 $'000
Cost of investments	167,838	167,838
Less: Allowance for impairment losses	(167,838)	(167,838)
	–	–

The movement in allowance for impairment losses in investment in subsidiaries is as follows:

	Company	
	30 June 2022 $'000	30 June 2021 $'000
At the beginning of the financial year	167,838	154,592
Impairment loss charged to profit or loss	–	13,246
At the end of the financial year	167,838	167,838

Composition of the Group

Details of subsidiaries at the end of the financial year are as follow:

Name	Principal activities	Principal place of business/ incorporation	Effective ownership interest 30 June 2022 %	Effective ownership interest 30 June 2021 %
Held by the Company				
PSD Singapore Pte. Ltd. [1][5]	Investment holding, real estate investment and development advisory services	Singapore	100	100
Held through subsidiaries				
Twin Prosperity Group Ltd.[2][5]	Investment holding	British Virgin Islands	100	100
Tropical Sunrise Development Inc.[2][5]	Investment holding	British Virgin Islands	100	100
Pearl Discovery Development Sdn. Bhd.[3][5]	Real estate developer	Malaysia	100	100
Pacific Star Development (Malaysia) Sdn. Bhd.[4]	Provision of project management services	Malaysia	100	100

(1) Audited by Ernst & Young LLP, Singapore.

(2) Statutory audit not required by law in its country of incorporation.

(3) Audited by a member firm of EY Global in Malaysia.

(4) Planned to undergo voluntary strike off from the register of companies in Malaysia

(5) Subjected to share charge pursuant to the OCP-TPG Loan (Note 20(a)(i)).

14. Deferred costs

Deferred costs pertain to renovation subsidies provided to retail tenants and costs relating to sale and purchase agreements pending recognition as revenue.

	Group	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
At the beginning of the financial year	526	393
Addition	247	342
Amortisation	(279)	(206)
Exchange differences	(13)	(3)
At the end of the financial year	481	526
Presented as:		
Non-current	75	272
Current	406	254
	481	526

15. Development properties

	Group	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Land costs	29,454	30,220
Development costs	213,180	219,601
Borrowing costs	2,053	2,107
	244,687	251,928
Accumulated costs of properties sold and recognised to profit and loss	(107,156)	(109,145)
Repossessed units	–	1,786
Development properties written down	(14,847)	(15,479)
	122,684	129,090

The cumulative development properties written down of $14,847,000 (30 June 2021: $15,479,000) is denominated in Malaysian Ringgit and was translated using year-end exchange rate while the charge to other expenses of $79,000 (2021: $4,473,000) was translated using the average exchange rate ruling during the financial year.

As at 30 June 2022, the Bank (Note 20(b)) has a first charge and the Lenders (Note 20(a)) have a second on the Group's development properties in relation to Facility A (Note 20(b)) and the OCP-PDD Loan (Note 20(a)(ii)) provided by the Bank (Note 20(b)) and the Lenders (Note 20(a)) respectively to PDD.

As at 30 June 2021, the Bank (Note 20(b)) has a charge on the Group's development properties in relation to Facility A (Note 20(b)).

15. Development properties (cont'd)

Details of the development properties held by the Group as at 30 June 2022 and 30 June 2021 are as follow:

Description and location	% owned	Site area (square meter)	Gross floor area (square feet)	Stage of completion as at date of financial statements/ Expected year of completion
Puteri Cove Residences and Quayside Lot No. 194422 Persiaran Tanjung, Puteri Harbour 79000 Iskandar Puteri, Johor Darul Ta'zim, Malaysia	100	31,570	120,000	Phase 1 Completed, consisting of two 32-storey residential towers, four Soho blocks and 2-storey lifestyle retail centre. Phase 2 consisting of one 32-storey serviced apartment tower; construction completion will be dependent on the recovery of the tourism sector post COVID-19 (30 June 2021: dependent on the recovery of the tourism sector post COVID-19).

16. Trade receivables

	Group		Company	
	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Due from third parties	531	581	–	–
Retention receivables due from third parties	146	264	–	–
Provision for ECLs	(10)	–	–	–
Total trade receivables	667	845	–	–
Add:				
Other receivables (excluding prepayments) (Note 17)	189	251	3,347	3,273
Cash at bank (Note 18)	1,710	149	34	14
Restricted cash (Note 19)	2,602	1,241	–	–
Less:				
Net GST receivables (Note 17)	(3)	(12)	(2)	(7)
Total financial assets carried at amortised cost	5,165	2,474	3,379	3,280

Trade receivables are non-interest bearing and are generally on 30 to 60 days' credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

16. Trade receivables (cont'd)

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $438,000 (30 June 2021: $488,000) that are past due at the end of the financial year but not impaired. These receivables are unsecured and the analysis of their aging at the end of the financial year is as follows:

	Group	
	30 June 2022 $'000	30 June 2021 $'000
Trade receivables past due but not impaired:		
Less than 30 days	1	–
31 - 60 days	2	–
61 - 90 days	–	–
91 - 120 days	–	2
More than 120 days	435	486
	438	488

The Group's and the Company's exposure to credit risk and allowances for ECLs are disclosed in Note 31(a).

Trade receivables that are neither past due nor impaired

The Group has trade receivables amounting to $229,000 (30 June 2021: $357,000) that are neither past due nor impaired at the end of the financial year. These are receivables from billings to purchasers of PCR units and retail rental receivables.

17. Other receivables and other current assets

	Group		Company	
	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Non-current				
Due from subsidiaries	–	–	3,345	–
Current				
Deposits	141	209	–	–
Sundry debtors	45	26	–	–
Net GST receivables	3	12	2	7
Grants receivables	–	4	–	–
Due from subsidiaries	–	–	–	3,266
	189	251	2	3,273
Other current assets:				
Other prepayments	223	315	22	23
Total other receivables and other current assets	412	566	24	3,296

17. Other receivables and other current assets (cont'd)

As at 30 June 2022, due from subsidiaries is presented as a non-current asset as the related intercompany payables are subordinated to the Loans From Lenders (Note 20(a)) which has maturity date on 5 October 2023, being more than twelve (12) months from 30 June 2022.

Due from subsidiaries is non-trade in nature, unsecured and interest-free and subordinated to the Loans From Lenders (Note 20(a)).

Other receivables are non-interest bearing and repayable on demand. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

18. Cash and cash equivalents

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	$'000	$'000	$'000	$'000
Cash at bank	1,710	149	34	14
Bank overdrafts (Note 20(b))	(2,525)	(2,574)	–	–
Cash and cash equivalents	(815)	(2,425)	34	14

Cash at bank earns interest at floating rates based on daily bank deposit rates.

As at 30 June 2022, the Group's cash at bank amounting $404,000 (30 June 2021: $19,000) are subject of debentures granted to the Lenders (Note 20(a)) in relation to the OCP-TPG Loan (Note 20(a)(i)).

As at 30 June 2022, the Company's cash at bank amounting to $34,000 (30 June 2021: $14,000) are subject of debentures granted to the Lenders (Note 20(a)) in relation to the OCP-TPG Loan (Note 20(a)(i)).

The Group and the Company did not have any material non-functional currency denominated cash and bank balances.

19. Restricted cash

As at 30 June 2022, the restricted cash pertains to the cash that is held for interest payment in relation to Facility A (Note 20(b)) (the Interest Service Reserve Account ("**ISRA**")) (30 June 2021: Debt Service Reserve Account ("**DSRA**")).

During the financial year ended 30 June 2022, pursuant to the terms of the amended letter of offer with the Bank (Note 20(b)) that provided Facility A (Note 20(b)) and subsequent to the placement of the $5,251,000 into DSRA from the funds obtained from the OCP-PDD Loan (Note 20(a)(i)), $3,345,000 of the DSRA was applied towards the prepayment of loan principal outstanding under Facility A (Note 20(b)) and the remaining balance were re-designated as ISRA.

20. Loans and borrowings

	Group		Company	
	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Non-current				
Loans from a group of lenders				
- OCP-TPG Loan	139,919	–	–	–
- OCP-PDD Loan	34,665	–	–	–
Total loans from a group of lenders	174,584	–	–	–
Bank loan	45,658	47,569	–	–
Less: Unamortised transaction costs	(535)	(898)	–	–
Net bank loan	45,123	46,671	–	–
Loans from related parties				
- CH Biovest Loan I	7,448	–	2,798	–
- CH Biovest Loan II	544	–	544	–
	7,992	–	3,342	–
Loans from third parties				
- DB2 Loan	2,271	–	853	–
- Other Third Parties Loans	203	–	203	–
	2,474	–	1,056	–
Total non-current	230,173	46,671	4,398	–
Current				
Bank loan	–	3,345	–	–
Less: Unamortised transaction costs	–	(63)	–	–
Net bank loan	–	3,282	–	–
Bank overdrafts	2,525	2,574	–	–
OCP-TPG Loan	–	102,951	–	–
Loans from a related party - PSDH Loans (Note 33)	–	9,545	–	3,651
Total current	2,525	118,352	–	3,651
Total loans and borrowings	232,698	165,023	4,398	3,651

20. Loans and borrowings (cont'd)

Certain reclassifications have been made to balances as at 30 June 2021 to conform to the presentation adopted in the current financial year. Please refer to Note 33.

(a) Loans from a group of lenders

OCP-TPG Loan and OCP-PDD Loan from a group of lenders (the "**Lenders**") are collectively referred to herein as "**Loans From Lenders**". Details of which are as follow:

(i) OCP-TPG Loan

Twin Prosperity Group Ltd. ("**TPG**"), a wholly-owned subsidiary of the Group, had entered into a loan facility agreement of $70 million (the "**Original OCP-TPG Loan**") with the Lenders on 24 December 2018 (the "**Original FA**"). Pursuant to an amendment agreement to the Original FA dated and announced on 30 June 2021, there was a $2 million increase in the Original OCP-TPG Loan (the "**Loan Increment**") to $72 million (30 June 2021: $72 million) (the "**OCP-TPG Loan**").

The Loan Increment was applied towards the working capital requirements of the Company and its subsidiaries outside of Malaysia.

As at 30 June 2021, the Group had breached the following covenants relating to the OCP-TPG Loan:

- Mr Chan Fook Kheong's ("**Mr Chan**") resignation as Chief Executive Officer and Managing Director of the Company on 18 March 2020 and his subsequent bankruptcy order constituted a change of control pursuant to the terms of the OCP-TPG Loan (the "**Change of Control**"). Upon the occurrence of such a Change of Control, the Lenders are entitled to immediately require the mandatory prepayment of the OCP-TPG Loan, together with accrued interest, and all other amounts accrued under the finance documents relating to the OCP-TPG Loan;

- the trading of the Company's shares on the SGX-ST has been voluntarily suspended since 24 March 2020. Pursuant to terms of the OCP-TPG Loan, in the event that the trading halt of the Company's shares on the SGX-ST continues for a period of five (5) consecutive market days or days which would have been market days but for the closure of, or general suspension of trading of shares on, the SGX-ST (the "**Trading Disruption**"), this would constitute an event of default under the OCP-TPG Loan and the Lenders would have the right to accelerate the OCP-TPG Loan and declare all or part of the OCP-TPG Loan, together with accrued interest, and all other amounts accrued or outstanding under the finance documents relating to the OCP-TPG Loan immediately due and payable;

- the OCP-TPG Loan includes, amongst others, certain sales covenants relating to achieving a minimum number of sales every quarter in PCR (the "**Sales Covenants**"). The Group was not able to meet the Sales Covenants for the period of March 2020 to 30 September 2021;

20. Loans and borrowings (cont'd)

(a) Loans from a group of lenders (cont'd)

(i) OCP-TPG Loan (cont'd)

As at 30 June 2021, the Group had breached the following covenants relating to the OCP-TPG Loan (cont'd):

- maintenance of a DSRA with $5.25 million balance (the "**DSRA Covenant**"), though the Lenders had agreed to the utilisation of the DSRA previously maintained to be applied to payment of interest on the OCP-TPG Loan. As at 30 June 2021, the Group had not met the DSRA Covenant. As such, the Lenders are entitled to immediately require the mandatory prepayment of the OCP-TPG Loan, together with accrued interest, and all other amounts accrued under the finance documents relating to the OCP-TPG Loan; and

- the OCP-TPG Loan mandated the sale of Tower 3 of PCR by 30 June 2020 (the "**T3 Covenant**") but due to the COVID-19 pandemic, the T3 Covenant was not met,

(collectively referred to herein as the "**Breaches**").

On 14 October 2021, the Company announced that in connection with the OCP-PDD Loan to be provided by the Lenders to Pearl Discovery Development Sdn. Bhd. ("**PDD**"), a wholly-owned subsidiary of the Group, it was necessary for the Group to restructure the Original OCP-TPG Loan. Hence, in relation to the Original FA, TPG and the parties to the Original FA have agreed to further amend and restate the Original FA. These amendments and restatements have been documented by way an amendment and restatement agreement dated 1 October 2021 (the "**Amendment**") (the Original FA as amended and restated by the Amendment, referred to herein as the "**Amended FA**").

The Amended FA, amongst others:

- put into effect relevant amendments to the Original FA to facilitate PDD's entry into the OCP-PDD Loan;

- amended the OCP-TPG Loan maturity date (originally being 28 December 2020) to 5 October 2023, or if earlier, coterminous with the maturity date of PDD's Facility A (Note 20(b)); and

- upon the date of taking effect of the Amended FA (subject to the satisfaction of conditions precedent customary of a transaction of this nature) (the "**Amendment Effective Date**"), the Lenders waived each and every default, including the Breaches, in respect of the Original FA which had occurred prior to the Amendment Effective Date.

The condition precedents relating to the Amended FA and the OCP-PDD Loan were satisfied and the Amendment Effective Date had been determined to be 29 October 2021.

The maturity date of the OCP-TPG Loan is on 5 October 2023 (30 June 2021: repayable on demand with the original maturity date on 28 December 2020) and the OCP-TPG Loan has been fully drawn down as at 30 June 2022 (30 June 2021: $2 million undrawn).

As at 30 June 2022, the OCP-TPG Loan, denominated in Singapore Dollars, bears interest at 25% per annum compounded at the end of every calendar quarter and capitalised to the outstanding principal amount.

20. Loans and borrowings (cont'd)

(a) Loans from a group of lenders (cont'd)

(i) OCP-TPG Loan (cont'd)

As at 30 June 2021, the OCP-TPG Loan (excluding the Loan Increment), denominated in Singapore Dollars, on an aggregate basis, bore simple interest and compound interest at 7.5% per annum and 5.0% per annum respectively. Further, the OCP-TPG Loan stipulated a profit distribution arrangement, wherein a fixed sum of $3.50 million and a variable sum of 12.5% of the distributions to the Group from PCR will be payable to the Lenders.

As at 30 June 2021, the Loan Increment bears interest at 25% per annum compounded at the end of every calendar quarter and capitalised to the outstanding principal amount.

As at 30 June 2021, the Loan Increment was undrawn.

The OCP-TPG Loan (30 June 2021: the Original OCP-TPG Loan) is secured by the following:

(i) assignment of intra-company loans owed to the Group for the purposes of PCR and a condominium development project in Bangkok, Thailand known as Posh 12 ("**P12**") which is held through the Group's joint venture and associate;

(ii) assignment of development management agreements relating to PCR and P12;

(iii) corporate guarantees by and debentures over the Company, and its wholly-owned subsidiary, PSD Singapore Pte. Ltd. ("**PSDS**") and wholly-owned subsidiaries of PSDS, namely TPG and Tropical Sunrise Development Inc. ("**TSD**"); and

(iv) share charges over shares of the Company's subsidiary, PSDS, and wholly-owned subsidiaries of PSDS, namely; TPG, TSD, PDD, and the Group's joint venture (MHL as defined in Note 25) and the Group's associate (PSDT as defined in Note 26).

As at 30 June 2022, the loan-to-value ratio of the OCP-TPG Loan has exceeded the requisite ratio under the Loan-To-Value ("**LTV**") covenant under the OCP-TPG Loan (the "**Non-Compliance Of LTV**"). If the Lenders call this as a default by requesting TPG to effect the remedy actions as provided in the OCP-TPG Loan and if TPG is not able to complete such remedy actions, it may constitute a cross default vis-a-vis other borrowings of the Group and the Company such as Facility A, CH Biovest Loan (I) and (II), DB2 Loan and the Other Third Parties Loans. At its initiative, the management of the Group had discussed with the Lenders the abovementioned issue, and the Lenders understand the position of the Group.

Although the Lenders are not in a position to provide a waiver to the Non-Compliance of LTV, they remain supportive of the Group and continue to engage in constructive discussions with the Group. Hence, as at the date of this set of financial statements, the Lenders have not called a default on this matter. The Company will make the necessary announcement(s) if there are any material updates on the matter.

Despite the Non-Compliance Of LTV, the OCP-TPG Loan as well as the other loans and borrowings of the Group and the Company amounting to $230,173,000 and $4,398,000 respectively continue to be classified as non-current liabilities instead of current liabilities as the Lenders have not called a default and based on regular dealings with the Lenders, management is of the opinion that such loans and borrowings, including the OCP-TPG Loan, should continue to be classified as non-current liabilities to best reflect the commercial realities and supportive stance of the Lenders.

20. Loans and borrowings (cont'd)

(a) Loans from a group of lenders (cont'd)

(ii) OCP-PDD Loan

On 14 October 2022, the Company announced that PDD, the Group's wholly-owned subsidiary, entered into a loan facility agreement dated 1 October 2021 (the "**FA**") with the Lenders for a loan facility in respect of an aggregate of up to S$30,000,000.

As at 30 June 2022, the OCP-PDD Loan, denominated in Singapore Dollars, subordinated to Facility A (Note 20(b)), bears interest at 12.5% per annum compounded at the end of every month and capitalised to the outstanding principal amount and its maturity date is on 5 October 2023, or if earlier, coterminous with the maturity date of Facility A (Note 20(b)).

As at 30 June 2022, the OCP-PDD Loan has been fully drawn down.

The OCP-PDD Loan is secured by the following:

(i) first-ranking charge and assignment of a disbursement account of PDD held with Singapore branch of the Bank (Note 20(b));

(ii) second-ranking charge and assignment of certain accounts of PDD held with the Bank (Note 20(b));

(iii) second-ranking debentures over all the assets of PDD and each individual unit comprised in PCR that has not been sold by PDD;

(iv) second-ranking assignment of the rental and sale proceeds from PCR; and

(v) second-ranking charge over each individual unit comprised in PCR that has not been sold by PDD on creation thereof after issue of the strata titles for the units in PCR.

(b) Bank loan and overdrafts

The bank loan and overdrafts are provided by the same bank in Malaysia (the "**Bank**", and such bank loans and overdrafts collectively referred to as "**Facility A**").

As at 30 June 2022, the bank loan facility under Facility A amounted to $52.11 million, equivalent to RM165.10 million (30 June 2021: $53.46 million, equivalent to RM165.10 million), is denominated in Malaysian Ringgit ("**RM**") and bears interest at 2.75% + the Bank's effective cost of fund (30 June 2021: 2.75% + Bank's effective cost of fund) per annum. Prepayment or repayment of principal cannot be re-utilised.

As at 30 June 2022 and 30 June 2021, prepayment of the bank loan facility is based on a certain predetermined percentage of PDD's monthly actual cash inflow after deducting the interest of Facility A to be serviced monthly in arrears (the "**Priority Of Payment**").

As at 30 June 2022 and 30 June 2021, Facility A has been fully drawn down and the maturity date of Facility A is 5 October 2023 (30 June 2021: 5 October 2023).

As at 30 June 2022, the bank overdrafts facility under Facility A amounted to $2.52 million, equivalent to RM8.0 million (30 June 2021: $2.59 million, equivalent to RM8.0 million), is denominated in Malaysian Ringgit, bears interest at 1.25% + bank base lending rate (30 June 2021: 1.25% + bank base lending rate) per annum and is payable on demand. The undrawn bank overdraft facility as at 30 June 2022 amounted to less than $1,000 (RM2,000) (30 June 2021: $16,000 (RM49,000)).

20. Loans and borrowings (cont'd)

(b) Bank loan and overdrafts (cont'd)

Facility A is secured on the following:

(i) legal mortgage on the Group's PCR;

(ii) all-monies debenture and power of attorney over the assets and properties of the Group's wholly-owned subsidiary, PDD;

(iii) assignment of all rights and benefits to sale, lease and/or insurance proceeds in respect of PCR (including assignment of the PDD's project account); and

(iv) a corporate guarantee from PSDS, a wholly-owned subsidiary of the Company.

As at 30 June 2021, pursuant to the letter of offer dated 19 April 2019 signed in relation to Facility A (the "**2019 Letter of Offer**"), PDD has breached a covenant in that it has not obtained equity funding equivalent to the shortfall of its sales and hotel revenue from PCR's Pan Pacific Serviced Suites from those sales and hotel revenue targets as stated in the 2019 Letter of Offer (the "**Equity Top Up Covenant**").

Pursuant to a revised letter of offer dated 11 June 2021 (the "**Revised LO**"), the Bank had granted the following:

(i) a second extended principal moratorium on the loan under Facility A for the months of April 2021 to June 2021;

(ii) the utilisation of the existing DSRA under Facility A (Note 19) to service the interest payments in arrears for the months of April 2021 to June 2021;

(iii) the principal prepayments from July 2021 to September 2021 will be based on the Priority Of Payment;

(iv) a third extended principal moratorium on the loan under Facility A for the period from July 2021 to September 2021, if there are inadequate cash inflow to cover any principal prepayment in accordance with the Priority of Payment;

(v) if there is inadequate cash inflow to cover any interest payment in accordance with the Priority Of Payment, the Bank shall uplift the interest payments from the ISRA which PDD will be required to establish for the servicing of interest payments for Facility A;

(vi) further indebtedness of PDD in relation to the OCP-PDD Loan; and

(vii) a second legal charge, ranking behind the Bank, in relation to the OCP-PDD Loan, was allowed to be granted in favour of the Lenders over the Bank's existing securities arising from Facility A. Such OCP-PDD Loan shall be subordinated to Facility A.

20. Loans and borrowings (cont'd)

(b) Bank loan and overdrafts (Facility A) (cont'd)

Pursuant to the Revised LO:

(i) without the prior consent from the Bank, PDD is not allowed to declare dividend in excess of 50% of its annual net profit after tax; and

(ii) the breach of the Equity Top Up Covenant is no longer regarded as a breach as such Equity Top Up Covenant is not included in the Revised LO.

In essence, the Revised LO facilitated and paved the way for the OCP-PDD Loan and the restructuring of the Original OCP-TPG Loan and the Loan Increment. During the financial year ended 30 June 2022, the OCP-PDD Loan and the restructuring of the Original OCP-TPG Loan and the Loan Increment were completed.

(c) Loans from related parties

The loans from related parties consist of:

(i) Loans from CH Biovest

The following loans are due to CH Biovest Pte. Limited ("**CH Biovest**"), a controlling shareholder of the Company:

(a) CH Biovest Loan (I)

CH Biovest Loan (I) arose as a result of the Assignment (Note 20(c)(ii)), is denominated in Singapore Dollars, is unsecured and subordinated to the Loans From Lenders pursuant to certain accession agreement entered into by CH Biovest and the Lenders. The maturity date of CH Biovest Loan (I) is on 5 October 2023, or if earlier, coterminous with the maturity date of the Loans From Lenders.

As at 30 June 2022, the CH Biovest Loan (I) of the Group and the Company amounted to $7,448,000 and $2,798,000 respectively, comprising non-interest-bearing loans to the Group and the Company of $4,444,000 and $2,682,000 respectively, interest-bearing loans of 5% (30 June 2021: 5%) per annum to the Group and the Company of $2,682,000 and $Nil respectively and interest accrued/capitalised by the Group and the Company of $322,000 and $116,000 respectively.

As at 30 June 2022, there is no further borrowing or facility to be drawn down vis-à-vis the CH Biovest Loan (I).

(b) CH Biovest Loan (II)

At an Extraordinary General Meeting ("**EGM**") of the Company held on 22 February 2022, the shareholders of the Company (excluding CH Biovest which abstained from voting) approved the Company's entry into a $500,000 loan agreement with CH Biovest for the purposes of paying the Company's listing-related expenses. The CH Biovest Loan (II) is unsecured, bears interest at 25% per annum (capitalised on a quarterly basis) and is subordinated to the Loans From Lenders pursuant to an accession agreement entered into by CH Biovest and the Lenders.

20. Loans and borrowings (cont'd)

(c) Loans from related parties (cont'd)

(ii) PSDH Loans

PSD Holdings Pte. Ltd. ("**PSDH**") was a related party which was controlled by Mr Chan, a then controlling shareholder of the Company. In March 2020, due to the bankruptcy of Mr Chan, Mr Chan was deemed to have lost control over the shares of the Company which were related to him. The trustee of Mr Chan's bankrupt estate ("**Trustee**") is in the process of obtaining control of Mr Chan's assets.

As at 30 June 2021, there was a $13.0 million loan facility granted by PSDH (the control of which was in the process of being obtained by the Trustee) to the Group (the "**PSDH Facility**"). The PSDH Facility is denominated in Singapore Dollars, unsecured, and repayable on demand (subordinated to the OCP-TPG Loan with effect from 24 December 2018).

As at 30 June 2021, the loans from PSDH (the "**PSDH Loans**"), which include the PSDH Facility, to the Group and the Company amounted to $9,545,000 and $3,651,000 respectively, comprising $5,795,000 and $3,500,000 of interest-free loans (with effect from 1 July 2018) to the Group and the Company respectively, $3,500,000 and $Nil of interest-bearing loans (with effect from 6 February 2020) to the Group and the Company respectively and accrued interest of the Group and Company amounting to $250,000 and $151,000 respectively. The PSDH Loans were subordinated to the OCP-TPG Loan.

As at 30 June 2021, the PSDH Facility has been fully drawn down.

On 19 September 2021, the Company announced that the Company has been informed that the PSDH Loans have been assigned in full by PSDH to (i) CH Biovest and (ii) DB2 Investment Pte. Ltd. ("**DB2**") via a Deed of Assignment with effect from 30 April 2021 (the "**Deed of Assignment**"). The effects of the Deed of Assignment were as follow:

(i) CH Biovest, a controlling shareholder of the Company holding 35.52% of the shares in the share capital of the Company, shall be assigned 76.63% of PSDH's rights, title, interest and benefits in and to PSDH Loans to the Group (and all other interest and benefits accruing under the PSDH Loans after 30 April 2021) with effect from 30 April 2021, free of all encumbrances; and

(ii) DB2 shall be assigned 23.37% of PSDH's rights, title, interest and benefits in and to the PSDH Loans to the Group (and all other interest and benefits accruing under the PSDH Loans after 30 April 2021) with effect from 30 April 2021, free of all encumbrances.

DB2 has no shareholding in the Company, and is not related to any director, controlling shareholder and/or their respective associates.

Accordingly, the sums owing by the Group to PSDH pursuant to the PSDH Loans shall be assigned to CH Biovest and DB2 in accordance with the abovementioned proportions (the "**Assignment**").

Subsequent to the Assignment, the amount due to CH Biovest and DB2 shall continue to be subordinated to the Loans From Lenders pursuant to certain accession agreements entered into by CH Biovest and DB2 with the Lenders.

20. Loans and borrowings (cont'd)

(d) Loans from third parties

(i) DB2 Loan

The DB2 Loan arose as a result of the Assignment (Note 20(c)(ii)) is denominated in Singapore Dollars, is unsecured and subordinated to the Loans From Lenders pursuant to certain accession agreement entered into by DB2 and the Lenders.

As at 30 June 2022, the DB2 Loan of the Group and the Company amounted to $2,271,000 and $853,000 respectively, comprising non-interest-bearing loans to the Group and the Company of $1,355,000 and $818,000 respectively, interest-bearing loans of 5% (30 June 2022: 5%) per annum to the Group and the Company of $818,000 and $Nil respectively and interest accrued/capitalised by the Group and the Company of $98,000 and $35,000 respectively.

As at 30 June 2022, there is no further borrowing or facility to be drawn down vis-à-vis the DB2 Loan.

(ii) Other Third Parties Loans

As at 30 June 2022, the "**Other Third Parties Loans**" pertain to loans from two third parties amounting to $203,000, comprising principal of $200,000 and capitalised interest of $3,000. The Other Third Parties Loans are unsecured, bears interest at 25% per annum (capitalised on a quarterly basis) and is subordinated to the Loans From Lenders. The maturity date of Other Third Parties Loans is on 5 October 2023, or if earlier, coterminous with the maturity date of the Loans From Lenders.

(e) Reconciliation consolidated cash flow statement

A reconciliation of liabilities arising from the Group's financing activities excluding bank overdrafts is as follows:

	Group				
	1 July 2021	Cash flows	Non-cash changes		30 June 2022
			Foreign exchange movement	Other	
	$'000	$'000	$'000	$'000	$'000
Bank loan	49,953	(719)	(1,175)	(2,936)[1]	45,123
Loans From Lenders	102,951	34,030	(10)	37,613	174,584
Loans from related parties	9,545	500	–	(2,053)[2]	7,992
Loans from third parties	–	200	–	2,274[2]	2,474
	162,449	34,011	(1,185)	34,898	230,173

Notes:

(1) Included $3,345,000 of repayment via DSRA (Note 19)

(2) Including the reclassification of $2,231,000 from loan from a related party (PSDH) to loans from third parties (DB2) as a result of the Assignment (Note 20(c)(ii)).

20. Loans and borrowings (cont'd)

(e) Reconciliation consolidated cash flow statement (cont'd)

	Group				
	1 July 2020	Cash flows	Non-cash changes		30 June 2021
			Foreign exchange movement	Other	
	$'000	$'000	$'000	$'000	$'000
Bank loan	48,357	1,932	(323)	(13)	49,953
Loans From Lenders	86,548	–	–	16,403	102,951
Loans from related parties (Note 33)	9,370	–	–	175	9,545
	144,275	1,932	(323)	16,565	162,449

21. Trade payables

	Group	
	30 June 2022	30 June 2021
	$'000	$'000
Due to third parties:		
Non-current	–	51
Current	9,115	11,975
	9,115	12,026

Trade payables are non-interest bearing and are generally settled on credit term of 30 to 90 days.

The non-current trade payables are retention sum payables as per contractual agreements.

22. Other payables

	Group		Company	
	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Non-current				
Withholding tax payable	3,072	–	–	–
GST clawback and penalties payable	92	590	–	–
Others	22	31	–	–
Due to associate	1	–	–	–
Due to subsidiaries	–	–	15,324	–
	3,187	621	15,324	–
Current				
Accruals	6,182	7,326	244	453
Joint Management Body of PCR	1,569	1,706	–	–
Penalties payables	1,442	1,479	–	–
Deposits received	935	1,013	–	–
Sundry creditors	928	590	97	–
GST clawback and penalties payable	406	417	–	–
Others	245	243	–	–
Due to:				
- liquidators of subsidiaries	210	410	210	410
- an affiliate of the Lenders	–	12,405	–	–
- associate	–	1	–	–
- subsidiaries	–	–	–	14,330
Withholding tax payable	–	2,431	–	–
	11,917	28,021	551	15,193
Total other payables	15,104	28,642	15,875	15,193
Add:				
Loans and borrowings (Note 20)	232,698	165,023	4,398	3,651
Trade payables (Note 21)	9,115	12,026	–	–
Lease liabilities (Note 23)	–	200	–	–
Total financial liabilities carried at amortised cost	256,917	205,891	20,273	18,844

Certain reclassifications have been made to balances as at 30 June 2021 to conform to the presentation adopted in the current financial year. Please refer to Note 33.

Withholding tax payable

The amount relates to accrued withholding tax in relation to interest on loans provided by the Group entities and the Lenders to PDD. Since such loans are non-current as at 30 June 2022, the related withholding tax is presented as a non-current liability.

22. Other payables (cont'd)

GST clawback and penalties payable

During the financial year ended 30 June 2021, pursuant to a GST field audit conducted by the Malaysia Customs (the "**Customs**") on PDD, the Group's wholly-owned subsidiary, PDD was advised by the Customs that PDD had over-claimed GST recoverable in prior years. Based on the Bill of Demand from Customs, RM3.43 million of GST repayable to the Customs as well as the associated penalties of RM0.86 million were capitalised in development properties and charged to income statement respectively in the years to which such clawback of over-claimed GST and the associated penalties related to. The Custom has granted PDD a three (3) year repayment schedule and the amount not due to be repaid within the next twelve (12) months from the reporting dates are classified as non-current liabilities.

Due to subsidiaries

As at 30 June 2022, the Company's balances due to subsidiaries are denominated in Singapore Dollars, non-trade related, interest free and are presented as non-current liabilities as they are subordinated to the Loans From Lenders which have a maturity date of 5 October 2023, being more than twelve (12) months from 30 June 2022.

As at 30 June 2021, the Company's balances due to subsidiaries were denominated in Singapore Dollars, non-trade related, interest-free and were presented as non-current liabilities as they were subordinated to the Loans From Lenders which were repayable on demand.

Joint Management Body of PCR (the "JMB")

The amount pertains to maintenance charges and sinking fund, utilities and late payment interest for unsold PCR units payable to the JMB. The amount is non-trade related, unsecured, repayable on demand and bears interest at 10% (30 June 2021: 10%) per annum.

Penalties payables

The amount pertains to penalties imposed by the Malaysia Inland Revenue Board for late payment and under-estimated chargeable income for corporate income tax in prior years. The amount is non-trade related, unsecured, interest-free and is repayable on demand.

Due to liquidator of subsidiaries

Due to liquidator of subsidiaries (companies of the Group's former Aluminium Division) relates to advances previously received by the Company from subsidiaries currently under liquidation, which have to be paid to the liquidator of these subsidiaries prior to the completion of their liquidation. The Company had announced on 22 May 2019 its intention to discontinue its Aluminium business via a creditors' voluntary liquidation.

Affiliate of the Lenders

As at 30 June 2021, the amount pertains to amount payable to a third party, being an affiliate of the Lenders, which has purchased certain debts of PDD. The amount bears interest at 25% per annum, is unsecured and repayable on demand.

During the financial year ended 30 June 2022, this sum (together with the capitalised interest) was repaid via a drawdown from the OCP-PDD Loan.

Liquidity risk

The Group's and the Company's exposure to liquidity risk related to trade and other payables are disclosed in Note 31(b).

23. Lease liabilities

	Group	
	30 June 2022 $'000	30 June 2021 $'000
At the beginning of the financial year	200	453
Accretion of interests	5	23
Payments	(187)	(276)
Retirement of obligations	(18)	–
At the end of the financial year	–	200
Presented as:		
Current	–	200

The maturity analysis of lease liabilities are disclosed in Note 31(b).

24. Deferred income

As at 30 June 2021, the Company's deferred income pertains to the government grant receivables under the Job Support Scheme (the "**JSS**").

As at 30 June 2022, the Group's deferred income consists of deferred rental income (30 June 2021: deferred rental income and JSS).

JSS grants are provided to help the Group to retain their local employees (Singapore Citizens and Permanent Residents) during the period of economic uncertainty due to COVID-19. JSS payouts are intended to offset local employees' wages and help protect their jobs. Employers must act responsibly and fairly in using the payouts, taking reference from the tripartite advisory on salary and leave arrangements. Where there is evidence of irresponsible and unfair treatment, employers may be denied employment support (including JSS) and have their work pass privileges curtailed.

	Group		Company	
	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
At the beginning of the financial year	39	114	17	76
Amount received	1	60	–	37
(Released from)/Recognised in other receivables (Note 17)	(5)	4	–	–
Release to profit and loss	(34)	(139)	(17)	(96)
At the end of the financial year	1	39	–	17

During the financial year ended 30 June 2022, $30,000 (2021: $139,000) of the amount released to profit and loss pertains to government grants which were recorded as other income (Note 5).

25. Joint venture

The Group has 51% (30 June 2021: 51%) interest in the ownership and voting right in a material joint venture, Minaret Holdings Limited ("**MHL**"), which is held through a subsidiary. The joint venture is incorporated in British Virgin Islands, where statutory audit is not required, and is principally engaged in investment holding. The Group jointly controls MHL with another partner under a contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

As at 30 June 2022 and 30 June 2021, the Group's shares in MHL are subjected to share charge pursuant to the OCP-TPG Loan.

The purpose of investments in MHL is to hold (together with the Group's investment in associate) Kanokkorn Pattana Co. Ltd. ("**KNK**") the developer of the P12 project.

On 23 June 2020, the Company announced that pursuant to the strategic review, MHL had initiated bankruptcy proceedings against KNK, the developer of P12, by recalling the loans made by MHL to KNK (the "**KNK Bankruptcy**").

On 17 May 2021, the Company announced that on 14 May 2021, the Thai Bankruptcy Court has granted an absolute receivership order for KNK. Subsequently, the Thai Department of Legal Execution assigned an official receiver for KNK and arranged for the receivership order to be published in the Royal Gazette of Thailand. Hence, the control of KNK now vest with the official receiver as appointed by the Thai Bankruptcy Court. As at the date of this set of financial statements, KNK Bankruptcy is still on-going.

With the commencement of bankruptcy proceedings against KNK during the financial year ended 30 June 2020, the Group does not have any constructive and legal obligations to continue funding the P12 project.

MHL has the following associates:

Name	Principal activities	Principal place of business/ incorporation	Effective ownership interest	
			30 June 2022	30 June 2021
			%	%
Kanyakorn Pattana Co., Ltd.[1]	Investment holding	Thailand	49	49

[1] Audited by P.J. Accounting and Audit Company Limited.

25. Joint venture (cont'd)

Summarised financial information in respect of MHL based on its SFRS(I) financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follow:

Summarised balance sheet

	MHL	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Current assets[(1)]	23	30
Current liabilities	(28,671)	(28,553)
Net liabilities	(28,648)	(28,523)
Proportion of the Group's beneficial interest	51%	51%
Group's carrying amount of the investment	–	–

Summarised statement of comprehensive income

	MHL	
	2022	**2021**
	$'000	**$'000**
Profit/(Loss) after tax[(2)]	846	(1,760)
Other comprehensive (loss)/income – translation reserve	(970)	1,073
Total comprehensive loss for the financial year	(124)	(687)

(1) Includes cash and cash equivalents of $23,000 (30 June 2021: $30,000).

(2) Includes foreign exchange gain of $854,000 (2021: foreign exchange loss of $1,044,000)

26. Associate

The Group has 49% (30 June 2021: 49%) interest in the ownership and voting right in a material associate, Pacific Star Development (Thailand) Co., Ltd. ("**PSDT**") that is held through a subsidiary. The associate is incorporated in Thailand and is principally engaged in investment holding.

The purpose of investments in associate is to hold (together with the Group's investment in joint venture) KNK, the developer of the P12 project.

As at 30 June 2022 and 30 June 2021, the Group's shares in PSDT are subjected to share charge pursuant to the OCP-TPG Loan.

Pursuant to the KNK Bankruptcy, the control of KNK now vest with the official receiver as appointed by the Thai Bankruptcy Court.

With the commencement of bankruptcy proceedings against KNK during the financial year ended 30 June 2020, the Group does not have any constructive and legal obligations to continue funding the P12 project.

26. Associate (cont'd)

Summarised financial information in respect of PSDT and its subsidiaries ("**PSDT Group**") based on its SFRS(I) financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follow:

Name	Principal activities	Principal place of business/ incorporation	Effective ownership interest 30 June 2022 %	30 June 2021 %
Held by PSDT				
Kanyakorn Pattana Co., Ltd.[1]	Investment holding	Thailand	51	51

[1] Audited by P.J. Accounting and Audit Company Limited.

Summarised balance sheet

	PSDT Group 30 June 2022 $'000	30 June 2021 $'000
Non-current assets	–	2
Current assets[1]	56	88,249
Current liabilities	(6,597)	(102,097)
Non-controlling interest	100	5,987
Net liabilities attributable to owners of the company	(6,441)	(7,859)
Proportion of the Group's ownership	49%	49%
Group's carrying amount of the Investment	–	–

[1] Includes cash and cash equivalents of $Nil (30 June 2021: $2,000).

Summarised statement of comprehensive income

	PSDT Group 2022 $'000	2021 $'000
Loss after tax	(246)	(5,850)
Other comprehensive (loss)/income – translation reserve	(1,270)	625
Total comprehensive loss for the financial year	(1,516)	(5,225)

27. Share capital and treasury shares

(a) Share capital

	Number of shares '000	Value $'000
Issued and fully paid ordinary shares		
Group		
At 1 July 2020, 30 June 2021 and 30 June 2022	502,336	47,801
Company		
At 1 July 2020, 30 June 2021 and 30 June 2022	502,336	197,055

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The Group's share capital amount differs from that of the Company as a result of reverse acquisition accounting.

(b) Treasury shares

	Group		Company	
	Number of shares '000	Value $'000	Number of shares '000	Value $'000
At 1 July 2020, 30 June 2021 and 30 June 2022	(2,675)	–	(2,675)	(513)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

(c) Employee Share Option Scheme ("ESOS")

The ESOS was approved by members of the Company at an EGM on 25 April 2013 and it is administered by the Remuneration Committee (the "**RC**").

The ESOS provides a means to recruit, retain and give recognition to Directors and employees who have contributed to the growth and success of the Group.

Principal Terms of the ESOS

(i) Participants

All key management personnel, employees and directors of the Company (the "**Directors**") who have been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the RC may determine are eligible to participate in the ESOS.

27. Share capital and treasury shares (cont'd)

(c) Employee Share Option Scheme ("ESOS") (cont'd)

<u>Principal Terms of the ESOS</u> **(cont'd)**

(ii) Number of shares

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued (excluding treasury shares) and issuable in respect of all options granted under the ESOS and any other performance share plan (including the PSP as defined in Note 27(d)), shall not exceed 15% of the issued share capital (excluding treasury shares) of the Company on the day preceding that date.

(iii) Options, exercise period and exercise price

<u>**Vesting period and exercise period**</u>

The vesting of the options is conditional on the grantee completing another (i) one (1) year of service to the Group for options granted with the exercise price set at market price; or (ii) two (2) years of service to the Group for options granted with the exercisable price set at a discount to market price. Once the options are vested, they are exercisable for a period of four (4) years. The options may be exercised in full or in part on the payment of the exercise price.

<u>**Exercise price**</u>

The exercise price of the options is (i) determined at the volume weighted average of the Company's ordinary shares quoted on the SGX-ST for five-consecutive market days immediately preceding the date of the grant ("**Market Price**"); or (ii) set at a discount not exceeding 20% of the Market Price.

(iv) Grant of options

The RC may grant share options at any time during the period when the ESOS is in force, except that, for so long as the Company's shares are listed and quoted on the SGX-ST, no options under the ESOS shall be granted during the period of one month immediately preceding the date of announcement of the Company's full-year results and two weeks before the announcement of the Company's first, second and third quarter results of its financial years.

(v) Acceptance of options

The grant of options shall be accepted within 30 days from the date of offer. Offer of options made to grantees, if not accepted by the closing date, will lapse.

(vi) Duration of the ESOS

The ESOS shall continue to be in force subjected to a maximum period of ten (10) years from 25 April 2013.

<u>**Options granted under ESOS**</u>

During the financial year ended 30 June 2022 and 30 June 2021, there were no outstanding share options, no share options granted and no share options lapsed.

27. Share capital and treasury shares (cont'd)

(d) Performance Share Plan ("PSP")

The PSP was approved by members of the Company at an EGM on 29 January 2022 and is administered by the RC.

The PSP is intended to complement the ESOS (or replace it when it expires) and serve as an additional and flexible incentive tool to further motivate participants to greater dedication, loyalty, and a higher standard of performance, and to give due credit and recognition to the participants who have contributed and committed themselves to the success of the Group.

The PSP is a share incentive plan that contemplates the award of fully paid shares when and after pre-determined performance or service conditions are accomplished and/or due recognition be given to any good work performance and/or any significant contributions to the Group made by the participants (the "**Award**").

Principal Terms of the PSP

(i) Participants

Employees and directors of the Group (including Independent Directors, Executive Directors and Non-Executive Directors of the Company), and including directors and employees of the Company's Associated Companies, who have attained the legal age of 21 years, who hold such rank as may be designated by the RC from time to time, and as of the award date, who have been in the employment of the Group for such period as the RC may in its absolute discretion determine; and subjected to the rules of the PSP, persons who are also controlling shareholders or associates of controlling shareholders of the Company.

(ii) Number of shares

The aggregate number of shares over which an Award may be granted on any date, when added to the number of shares issued (excluding treasury shares) and issuable in respect of all options granted under the ESOS and Awards under the PSP, shall not exceed 15% of the issued share capital (excluding treasury shares) of the Company on the day preceding that date.

(iii) Grant of Award and grant price

Subject to the provisions PSP, the RC may grant Awards to participants as the RC may select, in its absolute discretion, at any time during the period when the PSP is in force.

In considering the grant of an Award to a participant, the RC may take into account criteria such as grade level, scope of responsibilities, performance, years of service and potential for future development, contribution to the success of the Group, and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period.

Participants are not required to pay for the grant of Award, or for the shares allotted and/or transferred pursuant to an Award.

The RC may grant on Award at any time during the period when the PSP is in force, except that, for so long as the Company's shares are listed and quoted on the SGX-ST, no Award under the PSP shall be granted during the period of one month immediately preceding the date of announcement of the Company's full-year results and two weeks before the announcement of the Company's first, second and third quarter results of its financial years.

27. Share capital and treasury shares (cont'd)

(d) Performance Share Plan ("PSP") (cont'd)

Principal Terms of the PSP (cont'd)

(iv) Release of Award

As soon as reasonably practicable after the end of each performance period, the RC shall review the performance target(s) specified in respect of each Award and determine at its discretion:

(I) Whether it has been satisfied and, if so, the extent to which it has been satisfied.

(II) Whether any other condition applicable to the Award has been satisfied.

(III) The number of shares comprised in such Award to be released to the relevant participant, and subject to the rules of the PSP, provided that the relevant Participant has continued to be an eligible person from the award date up to the end of the performance period, shall release to that participant all or part (as determined by the RC at its discretion in the case where the RC has determined that there has been partial satisfaction of the performance target(s)) of the shares to which the Award relates in accordance with the release schedule specified in respect of the Award on the vesting date. Otherwise, the Award shall lapse and be of no value.

(IV) If the RC in its absolute discretion determines that the performance target(s) has not been satisfied or subjected to the rules of the PSP or if the relevant participant has not continued to be an employee from the award date up to the end of the relevant performance period, that Award shall lapse and be of no value.

(V) The RC shall have the full discretion to determine whether any performance target(s) has been satisfied, whether fully or partially, and in making any such determination, the RC shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the RC may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and to amend the performance target if the RC decides that an amended performance target would be a fairer measure of performance.

(VI) Shares which are the subject of a released Award shall be vested to a participant on the vesting date, which shall be a market day falling as soon as practicable after the review by the RC and, on the vesting date, the RC will procure the allotment or transfer to each participant of the number of shares so determined.

(v) Moratorium

An Award shall be personal to the participant to whom it is granted and, prior to the allotment and/or transfer to the participant of the shares to which the Award relates, shall not be transferred, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the RC and if a participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award, without the prior approval of the RC, that Award shall immediately lapse.

Shares which are allotted or transferred pursuant to the release of an Award will not (save as otherwise provided by provisions of the Catalist Rules or applicable laws) be subject to any restriction against disposal or sale or any other dealings by the participant.

27. Share capital and treasury shares (cont'd)

(d) Performance Share Plan ("PSP") (cont'd)

Principal Terms of the PSP (cont'd)

(vi) Duration of the PSP

The PSP shall continue in force subject to a maximum period of ten (10) years from 29 January 2022, provided always that the PSP may continue beyond the above stipulated period with the approvals of shareholders of the Company by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

Awards granted under PSP

During the financial year ended 30 June 2022, there was no outstanding Award, no Award granted and no Award lapsed.

28. Operating lease commitments – as lessor

The future minimum lease receivable under non-cancellable operating leases, in respect of the PCR retail units with varying terms and renewal rights contracted for at the end of the financial year but not recognised as receivables are as follow:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Not later than one year	94	190	–	–
Later than one year but not more than five years	294	205	–	–
More than five years	140	–	–	–
	528	395	–	–

29. Related party transactions

	Group	
	2022	2021
	$'000	$'000
Compensation of key management personnel		
Short-term employee benefits	775	708
Contributions to defined contribution plans	68	58
	843	766
Transactions		
Interest expense to CH Biovest (Note 20(c)(i))	178	–
Interest expense to PSDH (Note 20(c)(ii))	–	175
	178	175

30. Fair value of assets and liabilities

The Group and the Company did not have any assets and liabilities measured at fair value as at 30 June 2022 and 30 June 2021.

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

31. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, currency risk and interest rate risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are cash and bank balances, trade receivables and other receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

The Group considers the customers' credit risk upon initial recognition of assets:

- cash and bank balances are placed with financial institutions with good credit standing and have no history of default;

- the Group adopts the policy of dealing only with customers of appropriate credit standing, supported by letter of offer from bank or receive certain minimum deposits to mitigate credit risk;

- other receivables, which comprise mainly of amount due from utilities providers with minimum credit risk; and

- for other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties and does not hold any collateral.

31. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The Group monitors whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period via the analysis of the financial assets' ageing and risk profiles. The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 120 days when they fall due, which are derived based on the Group's historical information and business norms.

To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparties' abilities to meet their obligations; and

- the failure to meet the milestones of contractual payments.

The Group determines that its financial assets are credit-impaired when the counterparty shows significant difficulty to meet its payment obligations and/or breach of contract.

The Group categorises a financial asset for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from ECLs.

The Group provides for lifetime ECLs for financial assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due as well as market norms. The ECLs also incorporate forward looking information such as forecast of economic conditions that may lead to an increased number of defaults.

In relation to the Group's trade receivables, the Group has limited credit risk as in the event where overdue trade receivables are not collected, the Group will cancel the contract, reverse the trade receivable and repossess the PCR units or restrict access to the retail units, including cut off electricity supply, evict the tenants and set off security deposits against overdue amounts.

The Group does not hold any collateral. The maximum exposure to credit risk for each class of financial asset is the carrying amount of that class of financial asset presented on the balance sheet.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Due to the nature of the Group's operation, its trade receivables relate to property buyers and retail tenants. However, the Group does not have any significant concentration of credit risk to any single group of buyers.

31. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record and/or low default risk with the Group. Cash and cash equivalents are placed with reputable financial institutions with good credit standing and no history of default.

Financial assets that are past due but not impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 16.

Financial assets that are past due and/or impaired

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for ECLs are as follows:

	Group	
	30 June 2022 $'000	30 June 2021 $'000
Gross amount	10	–
Allowance for ECLs	(10)	–
	–	–
At the beginning of financial year	–	9
Allowance/(Reversal) during the financial year	10	(9)
At the end of financial year	10	–

As at 30 June 2022 and 30 June 2021, the impaired trade receivables of the Group arose from long outstanding amounts due from customers which remained unpaid as at the end of the respective financial years, accordingly there are significant uncertainties over the recovery of these amounts due from these customers. These receivables were not secured by any collateral or credit enhancement.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets (including the financial assets arising from the sale of PCR units) and liabilities. The Group's and the Company's objective is to maintain a balance between sufficient cash balance, continuity of funding and flexibility through the utilisation of credit facilities.

The abilities of the Group and the Company to continue as a going concerns are disclosed in Note 2.1.

Management monitors rolling forecasts of the Group's and Company's liquidity reserve (comprises undrawn borrowing facilities (Note 20) and cash and bank balances) on the basis of expected cash flow.

In addition, the Group's and Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios, maintaining debt financing plans, seeking additional financing and entering into schedules of repayment, moratorium of repayment with significant creditors so as to increase certainty in cash flow planning.

31. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of reporting period based on contractual undiscounted cash flows.

	30 June 2022			30 June 2021		
	One year or less	One to five years	Total	One year or less	One to five years	Total
Group	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets:						
Trade receivables	667	–	667	845	–	845
Other receivables (excluding net GST receivables)	186	–	186	239	–	239
Cash at bank	1,710	–	1,710	149	–	149
Restricted cash	2,602	–	2,602	1,241	–	1,241
Total undiscounted financial assets	5,165	–	5,165	2,474	–	2,474
Financial liabilities:						
Trade payables	9,115	–	9,115	11,975	51	12,026
Other payables (excluding GST clawback and penalties and penalties payable)	10,069	3,095	13,164	26,125	31	26,156
Lease liabilities	–	–	–	205	–	205
Loans and borrowings	2,704	288,760	291,464	118,579	51,607	170,186
Total undiscounted financial liabilities	21,888	291,855	313,743	156,884	51,689	208,573
Total net undiscounted financial liabilities	(16,723)	(291,855)	(308,578)	(154,410)	(51,689)	(206,099)
Company						
Financial assets:						
Other receivables (excluding net GST receivables)	–	3,345	3,345	3,266	–	3,266
Cash at bank	34	–	34	14	–	14
Total undiscounted financial assets	34	3,345	3,379	3,280	–	3,280
Financial liabilities:						
Other payables	551	15,324	15,875	15,193	–	15,193
Loans and borrowings	–	4,634	4,634	3,651	–	3,651
Total undiscounted financial liabilities	551	19,958	20,509	18,844	–	18,844
Total net undiscounted financial liabilities	(517)	(16,613)	(17,130)	(15,564)	–	(15,564)

The Group and the Company do not have financial assets and liabilities with maturity profile of over five years.

31. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

Group	30 June 2022		30 June 2021	
	One year or less $'000	One to five years $'000	One year or less $'000	One to five years $'000
Financial guarantees	471	–	483	–

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from Facility A which are being re-priced regularly with the Bank.

The Group's policy in the management of interest rate risk is to select the best available terms and where opportunity arises, seek to refinance at lower cost whenever practicable.

The Group is not exposed to significant interest rate risk as most of its interest-bearing financial liabilities are fixed rate in nature. There is no material interest-bearing financial assets held by the Group and the Company.

Sensitivity analysis for interest rate risk

The effects of a 25 basis point change in the interest rate at maturity or re-pricing on the Group's results are shown below. This analysis assumes that all other factors, in particular foreign exchange rate, remain unchanged.

Group	2022 (Increase)/ Decrease loss before tax $'000	2021 (Increase)/ Decrease loss before tax $'000
25 basis points increase	(120)	(133)
25 basis points decrease	120	133

31. Financial risk management objectives and policies (cont'd)

(d) Currency risk

Currency risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments that are denominated in a currency other than the entity's functional currency in which they are measured will fluctuate because of changes in foreign exchange rates.

Sensitivity analysis for currency risk

The effects of a 5% change in the SGD and RM as at the end of the financial year on significant foreign currency denominated balances on the Group's results are shown below. This analysis assumes that all other factors remain unchanged.

Group	2022 (Increase)/ Decrease loss before tax $'000	2021 (Increase)/ Decrease loss before tax $'000
5% appreciation of SGD against RM	(1,680)	(612)
5% depreciation of SGD against RM	1,680	612

The Group and the Company do not use derivative financial instruments to protect against the volatility associated with foreign currency transactions since the exposure is insignificant, short-term or assessed as temporary in nature. Exposure to currency risk is monitored on an on-going basis and the Group and the Company endeavor to keep the net exposure at an acceptable level.

As at 30 June 2022 and 30 June 2021, the Company did not have significant currency risk as it had minimal foreign currency denominated balances and transactions.

As at 30 June 2022, the Group is exposed to currency risk arising from the OCP-PDD Loan (30 June 2021: Due to affiliate of the Lenders) which is denominated in Singapore Dollars while PDD's functional currency is Malaysian Ringgit.

(e) Capital management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's abilities to continue as going concerns and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment to shareholders, issue new shares, buy back issued shares (with mandate from shareholders of the Company), obtain new borrowings or sell assets to reduce borrowings.

In the management of capital risk, management takes into consideration the net debt to equity ratio as well as the Group's and the Company's working capital requirement. The net debt to equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities less current tax liabilities, deferred income and fixed deposits pledged (if any), restricted cash and cash at bank.

31. Financial risk management objectives and policies (cont'd)

(e) Capital management (cont'd)

Group	30 June 2022 $'000	30 June 2021 $'000
Net debt	252,605	204,501
Total capital deficiency	(129,381)	(79,302)
Net debt to equity ratio	N.M.	N.M.
Company		
Net debt	20,239	18,830
Total capital deficiency	(16,870)	(15,549)
Net debt to equity ratio	N.M.	N.M.

N.M.: Not meaningful as the Group and the Company are in capital deficiency position.

Other than that disclosed in Note 20(b), the Group and the Company do not have any externally imposed capital requirements for the financial year ended 30 June 2022 and 30 June 2021. There were no changes in the Group's and the Company's approach to capital management during the financial year.

The going concern assumption is disclosed in Note 2.1.

32. Segment information

Geographical segment

Geographically, the Group manages and monitors the business in two primary geographic areas, being Singapore and Malaysia.

Revenue is based on the country in which the subsidiary operates. Non-current assets are shown by the geographical area in which the assets are located.

	Revenue		Non-current assets	
Group	2022 $'000	2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Malaysia	4,264	1,711	102	298
Singapore	–	–	1	196
	4,264	1,711	103	494

Revenue is derived from sales of development properties at PCR in Malaysia.

Non-current assets information presented above consists of property, plant and equipment, right-of-use assets (if any) and deferred cost as presented in the Group's balance sheet.

33. Reclassification

To conform to current financial year's presentation, the following reclassifications to the audited balances of 30 June 2021 were made:

	30 June 2021		
	Previously reported per audited financial statements	Reclassification	As restated in this set of financial statements
	$'000	$'000	$'000
Group			
Loans and borrowings	108,807	9,545	118,352
Other payables	37,566	(9,545)	28,021
Company			
Loans and borrowings	–	3,651	3,651
Other payables	18,844	(3,651)	15,193

As at 30 June 2021, the Group and the Company balances due to PSDH amounted to $9,545,000 and $3,651,000 respectively.

During the financial year ended 30 June 2022, with the extension of the maturity of the OCP-TPG Loan to 5 October 2023 and the signing of the Deed of Assignment amongst PSDH, CH Biovest and DB2 as well as the accession agreements entered into between CH Biovest, DB2 and the Lenders whereby the CH Biovest Loan (I) and DB2 Loan are subordinated to the Loans From Lenders, management is of the view that it would be more appropriate to present the CH Biovest Loan (I) and DB2 Loan under "Loans and borrowings" instead of "Other payables".

Accordingly, the PSDH Loans as at 30 June 2021 have been reclassified to conform to the presentation adopted in current financial year.

34. Subsequent events

(a) On 28 September 2022, the Company announced that it had submitted an application to Singapore Exchange Regulation Pte Ltd ("**SGX RegCo**") for the following extensions of time:

(i) 15 months, from 30 September 2022 to 31 December 2023, for the Company to submit its resumption of trading proposal to SGX RegCo (the "**RTP Extension**");

(ii) 2 months, from 31 October 2022 to 30 December 2022, for the Company to hold its Annual General Meeting ("**AGM**") for the financial year ended 30 June 2022 (the "**AGM Extension**"); and

(iii) 2 months, from 30 November 2022 to 31 January 2023, for the Company to submit its sustainability report (the "**SR Extension**") (collectively referred to herein as the "**Extensions**").

The Company also announced that it was concurrently requesting for an extension of time with the Accounting and Corporate Regulatory Authority (the "**ACRA**") in relation to the holding of its AGM and submission of its annual return pursuant to Sections 175 and 197 of the Companies Act 1967 of Singapore respectively.

34. Subsequent events (cont'd)

On 11 October 2022, the Company announced that ACRA had allowed for a deadline of 30 December 2022 for the Company to hold its AGM and a deadline of 29 January 2023 for the Company to file its annual return.

On 11 November 2022, the Company announced that:

(I) SGX RegCo has informed the Company that it has no objection to the Company's application for the AGM Extension and SR Extension; and

(II) In relation to the RTP Extension, subsequent to the submission of the Extensions to SGX RegCo, the Company was instructed by SGX RegCo to separate the application of RTP Extension from the AGM Extension and SR Extension. The Company is in the process of providing further details and clarifications on the RTP Extension to SGX RegCo. The outcome of the application for the RTP Extension will be announced in due course.

(b) On 14 October 2022, in relation to a letter of demand by Asia Real Estate Prime Development Fund's ("**AREPDF**") against the Company's wholly-owned subsidiary, PSDS, which was announced by the Company on 10 October 2020, the Company updated that following discussions and clarifications between the Company's management, its Luxembourg legal counsel and AREPDF's Luxembourg legal counsel, AREPDF had waived the claim of US$654,762 against PSDS and the matter has drawn to a close.

35. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 15 December 2022.

STATISTICS OF SHAREHOLDINGS

As at 16 November 2022

Class of equity securities	:	Ordinary shares
Number of issued shares	:	502,336,278
Number of issued shares excluding treasury shares and subsidiary holdings	:	499,660,878
Voting rights	:	One vote per share

Treasury shares and subsidiary holdings

Number of treasury shares	:	2,675,400
Number of subsidiary holdings	:	Nil
Percentage of treasury shares against the total number of issued shares excluding treasury shares and subsidiary holdings	:	0.53%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares (excluding treasury shares and subsidiary holdings)	%
1 - 99	10,066	72.12	218,142	0.04
100 - 1,000	2,283	16.36	724,191	0.15
1,001 - 10,000	1,254	8.98	3,965,329	0.79
10,001 - 1,000,000	341	2.44	19,154,400	3.83
1,000,001 and above	14	0.10	475,598,816	95.19
Total:	**13,958**	**100.00**	**499,660,878**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	CH BIOVEST PTE LIMITED	177,454,800	35.52
2.	GLAXIER CITY LIMITED	105,035,550	21.02
3.	DOUBLE BLESSING HOLDINGS LIMITED	64,535,550	12.92
4.	UOB KAY HIAN PTE LTD	33,795,676	6.76
5.	UNITED OVERSEAS BANK NOMINEES PTE LTD	27,355,777	5.48
6.	HO LEE GROUP PTE LTD	24,000,000	4.80
7.	KOH BROTHERS DEVELOPMENT PTE LTD	11,250,000	2.25
8.	OCBC SECURITIES PRIVATE LTD	11,018,155	2.21
9.	MARQUE EQUITIES PTE LTD	8,164,500	1.63
10.	DBS NOMINEES PTE LTD	4,346,706	0.87
11.	CHIU DENNIS	3,750,000	0.75
12.	KHOO YI LIN GERALDINE	2,490,500	0.50
13.	XU YONGSHENG	1,215,210	0.24
14.	RAFFLES NOMINEES (PTE) LIMITED	1,186,392	0.24
15.	MAYBANK SECURITIES PTE. LTD.	899,131	0.18
16.	LEE SOK WANG	757,048	0.15
17.	LOW CHEONG YEW	710,000	0.14
18.	KONG CHEE HOH	705,000	0.14
19.	TAN WANG CHEOW	600,000	0.12
20.	WONG THEN SIN	557,194	0.11
	Total:	**479,827,189**	**96.03**

STATISTICS OF SHAREHOLDINGS

As at 16 November 2022

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
CH Biovest Pte. Limited	177,454,800	35.52	–	–
Chuan Hup Holdings Limited[(a)]	–	–	177,454,800	35.52
Kai Xin Guo Pte Ltd[(b)]	–	–	177,454,800	35.52
Peh Siong Woon Terence[(c)]	–	–	177,454,800	35.52
Peh Kwee Chim[(d)]	–	–	177,454,800	35.52
Qing Shan Pte Ltd[(b)]	–	–	177,454,800	35.52
Zedra Trust Company (Singapore) Limited[(b)]	–	–	177,454,800	35.52
Sapphire Skye Holdings Limited[(b)]	–	–	177,454,800	35.52
Sapphire Alpha Holdings Limited[(e)]	–	–	177,454,800	35.52
Chan Fook Kheong[(f)]	–	–	169,571,100	33.94
Glaxier City Limited[(f)]	105,035,550	21.02	–	–
Global Century Ltd[(f)]	–	–	105,035,550	21.02
Fidelitycorp Limited[(f)]	–	–	105,035,550	21.02
Double Blessing Holdings Limited[(f)]	64,535,550	12.92	–	–

Notes:

(a) Chuan Hup Holdings Limited (“**Chuan Hup**”) is the sole shareholder of CH Biovest Pte. Limited (“**CH Biovest**”). Accordingly, Chuan Hup is deemed to be interested in the shares of the Company held by CH Biovest.

(b) Kai Xin Guo Pte Ltd (“**KXG**”) is the owner of 51.69% of the issued and paid up share capital of Chuan Hup. KXG is a wholly owned subsidiary of Qing Shan Pte Ltd (“**Qing Shan**”), which is in turn held by Zedra Trust Company (Singapore) Limited (“**Zedra**”) as trustee of a trust constituted by Peh Kwee Chim (the “**Trust**”). The entire shareholding of Qing Shan is held by Sapphire Skye Holdings Limited (“**Sapphire**”), a nominee shareholder of Zedra, on behalf of Zedra as trustee of the Trust. Therefore, KXG, Qing Shan and Zedra and Sapphire are each deemed to be interested in the shareholding interest of Chuan Hup in the Company, held by Chuan Hup through its wholly owned subsidiary, CH Biovest.

(c) Mr Peh Siong Woon Terence is a director of KXG and is also the beneficiary of the Trust, and is therefore deemed, pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and Section 7 of the Companies Act 1967 (the “**Companies Act**”), to be interested in the shareholding interest of Chuan Hup in the Company, held through its wholly owned subsidiary, CH Biovest.

(d) Mr Peh Kwee Chim is a director of KXG and is also the settlor of the Trust, and is therefore deemed, pursuant to Section 4 of the SFA and Section 7 of the Companies Act to be interested in the shareholding interest of Chuan Hup in the Company, held through its wholly owned subsidiary, CH Biovest.

(e) Sapphire Alpha Holdings Limited, the nominee corporate shareholder of Zedra and sole director of Qing Shan, manages, controls the operations of and determines the policy with respect to Qing Shan.

(f) Chan Fook Kheong (“**Mr Chan**”) is the registered owner of 20.0% of the issued and paid-up share capital of Glaxier City Limited (“**Glaxier City**”). Global Century Ltd (“**Global Century**”) holds 80.0% of the issued and paid-up share capital of Glaxier City. The entire issued and paid-up capital of Global Century is held by Fidelitycorp Limited (“**Fidelitycorp**”) as trustee of a discretionary trust. Therefore, Global Century and Fidelitycorp are deemed to be interested in the shares of the Company held by Glaxier City. Mr Chan is also the registered sole shareholder of Double Blessing Holdings Limited (“**Double Blessing**”). Accordingly, Mr Chan is deemed to be interested in the shares of the Company held by Glaxier City and Double Blessing. Pursuant to a court order, Mr Chan was adjudged a bankrupt on 19 March 2020 and Mr Yit Chee Wah was appointed to act as private trustee of Mr Chan’s estate. On 17 August 2022, the Court granted an application that Mr Yit Chee Wah be permitted to vacate the office as trustee and Mr Abuthahir Abdul Gafoor (the “**Trustee**”) be appointed as trustee to administer Mr Chan’s estate in bankruptcy. As at the date of this report, the Trustee is in the midst of taking over the directorship of Double Blessing. The Trustee is also in the process of obtaining control of Glaxier City. This process is ongoing and has not yet been concluded.

PERCENTAGE OF SHAREHOLDING IN PUBLIC’S HANDS

30.54% of the Company’s shares is held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Pacific Star Development Limited (the "**Company**") will be convened and held by way of electronic means on Friday, 30 December 2022, at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2022 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Regulation 89 of the Constitution of the Company:

   Mr Ying Wei Hsein **(Resolution 2)**

   Mr Lim Hoon Tong **(Resolution 3)**

   *Mr Lim Hoon Tong will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company, and will be considered independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").*

   *Key information on Mr Ying Wei Hsein and Mr Lim Hoon Tong can be found on pages 31 to 36 of the Company's annual report for the financial year ended 30 June 2022 (the "**Annual Report 2022**").*

3. To approve the payment of Directors' fees of S$120,000 for the financial year ended 30 June 2022 (2021: S$120,000). **(Resolution 4)**

4. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

6. **Authority to allot and issue new shares**

   That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

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

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

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with (i) and (ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Constitution of the Company; and

(d) unless revoked or varied by the Company in a general meeting, such authority shall 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 (i)] **(Resolution 6)**

By Order of the Board

Kiar Lee Noi
Secretary
Singapore, 15 December 2022

Explanatory Note:

(i) The Ordinary Resolution 6 in item 6 above, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro-rata* basis to shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution 6 is passed after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution 6 is passed; and (ii) any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

1. As a precautionary measure and to exercise social responsibility towards living with COVID-19, the AGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members of the Company (the "**Members**"). Instead, this Notice of AGM will be sent to Members by electronic means via publication on the Company's corporate website at the URL https://pacificstar-dev.com/ir_announcements.html. This Notice of AGM will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to:

   (a) attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream);

   (b) submission/asking of questions in advance of, or "live" at, the AGM, and addressing of substantial and relevant questions in advance of, or "live" at, the AGM, in relation to any resolutions set out in this Notice of AGM; and

   (c) voting at the AGM (i) "live" by themselves via electronic means; or (ii) through their duly appointed proxy(ies) via electronic means,

   are set out in the accompanying Company's announcement dated 15 December 2022. This announcement may be accessed at the Company's corporate website at the URL https://pacificstar-dev.com/ir_announcements.html, and will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

3. A Member will not be able to attend the AGM in person. For any Member (whether an individual or a corporate) who wishes to exercise his/her/its voting rights at the AGM, such Member may:

   (a) vote "live" via electronic means at the AGM; or

   (b) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means on his/her/its behalf at the AGM; or

   (c) appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.

   The accompanying proxy form for the AGM may be accessed at the Company's corporate website at the URL https://pacificstar-dev.com/ir_announcements.html, and will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "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.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road #06-03 Robinson 77, Singapore 068896; or

   (b) if submitted electronically, be sent via email to the Company, at main@zicoholdings.com,

   in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

   A Member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   To minimise physical interactions and mitigate the risk of COVID-19 transmission, Members are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email.

7. Central Provident Fund ("**CPF**") or Supplemental Retirement Scheme ("**SRS**") investors who hold the Company's shares through CPF Agent Banks or SRS Operators:

   (a) may vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on Monday, 19 December 2022.

8. The Company's Annual Report 2022 may be accessed at the Company's corporate website at the URL https://pacificstar-dev.com/ir_announcements.html and will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

Personal data privacy:

By submitting (a) an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, or (b) details for the registration to observe the proceedings of the AGM via "live" audio-visual webcast or "live" audio-only stream, or (c) questions in advance of, or "live" at, in relation to any resolution set out in the Notice of AGM, a Member of the Company consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration and analysis by the Company (or its agents or service providers) of the appointment of a proxy(ies) and/or representative(s) for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes (including questions and answers) and other documents relating to the AGM (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to Members (or their corporate representatives in the case of Members which are legal entities) to the "live" audio-visual webcast or "live" audio-only stream to observe and/or listen the proceedings of the AGM of the Company and providing them with any technical assistance where necessary;

(iii) addressing all substantial and relevant questions received from Members relating to the resolutions set out in the Notice of AGM to be tabled for approval at the AGM prior to, or "live" at, the AGM and if necessary, following up with the relevant Members in relation to such questions; and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM of the Company may be made by the Company for record keeping to ensure the accuracy of the minutes prepared of the AGM of the Company. Accordingly, the personal data of a Member may be recorded by the Company (or its agents or service providers) for such purposes.

PACIFIC STAR DEVELOPMENT LIMITED
(Company Registration No.: 198203779D)
(Incorporated in the Republic of Singapore)

PROXY FORM
Annual General Meeting

IMPORTANT:

1. As a precautionary measure and to exercise social responsibility towards living with COVID-19, the Annual General Meeting ("**AGM**"") of Pacific Star Development Limited (the "**Company**") will be held fully by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM dated 15 December 2022 will not be sent to Members of the Company (the "**Members**"). Instead, the Notice of AGM will be sent to Members by electronic means via publication on the Company's corporate website at the URL https://pacificstar-dev.com/ir_announcements.html and on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to:
   (a) attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream);
   (b) submission/asking of questions in advance of, or "live" at, the AGM, and addressing of substantial and relevant questions in advance of, or "live" at, the AGM, in relation to any resolutions set out in the Notice of AGM; and
   (c) voting at the AGM (i) "live" by themselves via electronic means; or (ii) through their duly appointed proxy(ies) via electronic means,
   are set out in the accompanying Company's announcement dated 15 December 2022. This announcement may be accessed at the Company's corporate website at the URL https://pacificstar-dev.com/ir_announcements.html, and will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.
3. A Member will not be able to attend the AGM in person. A Member (whether an individual or a corporate) who wishes to exercise his/her/its voting rights at the AGM may:
   (a) vote "live" via electronic means at the AGM; or
   (b) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means on his/her/its behalf at the AGM; or
   (c) appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.
4. 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 Central Provident Fund ("**CPF**") or Supplemental Retirement Scheme ("**SRS**") investors who hold the Company's shares through CPF Agent Banks or SRS Operators. CPF and SRS investors:
   (a) may vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on Monday, 19 December 2022**.
5. By submitting an instrument appointing a proxy(ies), the Member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 December 2022.
6. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies) at the AGM.

*I/We, ______________________ (Name) ______________________ (NRIC/Passport/Company Registration No.)

of ____ (Address)

being a Member/Members of the Company, hereby appoint

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the AGM as my/our* proxy to vote for me/us* on my/our* behalf, at the AGM of the Company to be convened and held fully by way electronic means on **Friday, 30 December 2022, at 3.00 p.m.** and at any adjournment thereof. I/We* direct my/our proxy/proxies* to vote for or against, or abstain from voting on, the Resolutions proposed at the AGM as indicated hereunder.

*Delete where inapplicable

No.	**Resolutions relating to:**	**Number of Shares****		
		For**	**Against****	**Abstain****
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2022 together with the Auditors' Report			
2	Re-election of Mr Ying Wei Hsein as a Director			
3	Re-election of Mr Lim Hoon Tong as a Director			
4	Approval of Directors' fees amounting to S$120,000 (2021: S$120,000)			
5	Re-appointment of Messrs Ernst & Young LLP as Auditors			
6	Authority to allot and issue shares			

*** Note: Voting will be conducted by poll for all resolutions. If you wish your proxy to cast all your votes "**For**" or "**Against**" a resolution, please tick "√" in the "**For**" or "**Against**" box provided in respect of that resolution. Alternatively, please indicate the number of votes "**For**" or "**Against**" in the "**For**" or "**Against**" box provided in respect of that resolution. If you wish your proxy to abstain from voting on a resolution, please indicate with a tick "√" in the "**Abstain**" box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy is directed to abstain from voting in the "**Abstain**" box provided in respect of that resolution.* ***In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM and at any adjournment thereof.***

Dated this ______________ day of December 2022

Total number of Shares in:	**No. of Shares**
CDP Register	
Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: Please read notes on the reverse

Notes:

1. A Member of the Company should insert the total number of shares held. If the Member has shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), he/she/it should insert that number of shares. If the Member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the Member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the Member of the Company.

2. A Member will not be able to attend the AGM in person. For Member (whether an individual or a corporate) who wishes to exercise his/her/its voting rights at the AGM may:

   (a) vote "live" via electronic means at the AGM; or

   (b) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on his/her/its behalf; or

   (c) appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.

   This proxy form may be accessed at the Company's corporate website at the URL https://pacificstar-dev.com/ir_announcements.html, and will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "Relevant intermediary" means:

   (i) 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;

   (ii) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (iii) 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 Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A proxy need not be a Member of the Company.

5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the registered office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road #06-03 Robinson 77, Singapore 068896; or

   (b) if submitted electronically, be submitted via email to the Company, at main@zicoholdings.com,

   in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

   A Member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   To minimise physical interactions and mitigate the risk of COVID-19 transmission, Members are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email.

6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy(ies) 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, failing which; the instrument may be treated as invalid.

7. The Company shall be entitled to reject the instrument appointing or treated as appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing or treated as appointing a proxy(ies) (including any related attachment). In addition, in the case of Members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing or treated as appointing a proxy(ies) lodged if such Members, being the appointer, are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies), the Member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 December 2022.

PACIFIC STAR DEVELOPMENT LIMITED
www.pacificstar-dev.com

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