



PASTURE HOLDINGS LTD.

(Company Registration No.: 201731601W)

(Incorporated in the Republic of Singapore on 3 November 2017)

Pharmaceutical products and medical supplies and devices company based in Singapore

Placement of 20,000,000 Placement Shares at S\$0.25 for each Placement Share, payable in full on application

OFFER DOCUMENT DATED 31 MAY 2023

(Registered by the Singapore Exchange Securities Trading Limited (the “SGX-ST”), acting as agent on behalf of the Monetary Authority of Singapore (the “Authority”) on 31 May 2023)

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this document carefully, and consider whether you understand what is described in this document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.

PrimePartners Corporate Finance Pte. Ltd. (“PPCF” or the “Issue Manager, Sponsor and Placement Agent”) has made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all the ordinary shares (the “Shares”) in the capital of Pasture Holdings Ltd. (the “Company”) that are already issued, the new Shares (the “Placement Shares”) which are the subject of the Placement (as defined herein) and the new Shares which may be issued from time to time pursuant to the Pasture Performance Share Plan (the “Award Shares”) on the Catalist of the SGX-ST (“Catalist”). Such permission will be granted when our Company has been admitted to Catalist.

Acceptance of applications will be conditional upon, amongst others, the issue of the Placement Shares and permission being granted by the SGX-ST for the listing and quotation of all our Shares, the Placement Shares and the Award Shares on Catalist. Monies paid in respect of any application accepted will be returned (without interest or any share of revenue or other benefit arising therefrom, at the applicant’s own risk and the applicant shall not have any right or claim against us and/or the Issue Manager, Sponsor and Placement Agent) if the admission and listing do not proceed for any reason. The dealing in and quotation of our Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Mainboard of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies

on the Issue Manager, Sponsor and Placement Agent confirming that our Company is suitable to be listed and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of our Shares, the Placement Shares or the Award Shares, as the case may be, being offered for investment.

The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act 2001 of Singapore, or any other legal or regulatory requirements, or requirements under the Catalist Rules, have been complied with.

We have not lodged or registered this Offer Document in any other jurisdiction.

Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.

After the expiration of six (6) months from the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, no person shall make an offer of our Shares, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

Issue Manager, Sponsor and Placement Agent



PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Company Registration No.: 200207389D)

(Incorporated in the Republic of Singapore)

OUR BUSINESS

We are primarily a B2B and B2G goods and services provider, with our major customers being distributors of pharmaceutical products and medical supplies and devices, as well as governments and institutional customers such as hospitals, pharmacies and other healthcare institutions.

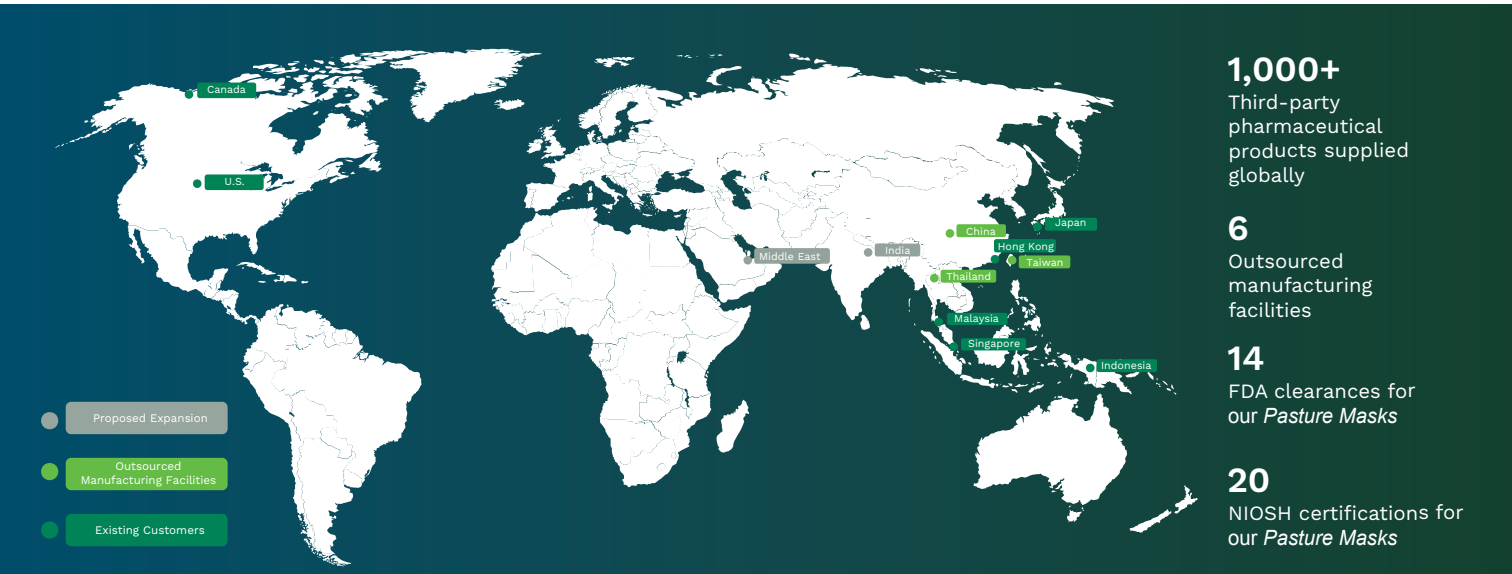
| | | |
|--|---|--|
|  | Mask and Medical Supplies | <ul style="list-style-type: none">➤ We develop, market and sell our <i>Pasture Masks</i>, which are our own proprietary range of masks developed through collaboration with our contract manufacturers➤ We have supplied more than 100 million <i>Pasture Masks</i> globally during the Period Under Review and up to the Latest Practicable Date |
|  | Pharmaceutical Wholesale and Drop-Shipment | <ul style="list-style-type: none">➤ We engage in the wholesale procurement and transshipment of pharmaceutical and nutraceutical products and specialise in cold-chain management services relating to temperature-sensitive pharmaceutical products such as vaccines and oncology products➤ We provide drop-shipment services, which serve as back-end support of pharmaceutical wholesale supplies to our international clients' wholesale pharmacy businesses |
|  | Other Services | <ul style="list-style-type: none">➤ We develop new and complementary products and services such as:<ul style="list-style-type: none">– Marketing and selling <i>Hart-S ODS</i>, our own range of oral disintegrating strips designed to provide a novel mode of medicinal administration for sildenafil– Introducing <i>furlife</i>, a mobile application intended to provide a comprehensive suite of pet health and nutrition services for pet owners |

UNLOCKING FUTURE BUSINESS PROSPECTS



STRONG GLOBAL FOOTPRINT

We serve over 50 countries with targeted expansion into new geographical markets such as India and the Middle East



Offering a comprehensive range
of pharmaceutical products and medical supplies and devices

Between 2000 and 2019

Global healthcare spending
in real terms has doubled to

US\$8.5 trillion

By 2050, it is projected that

The number of people aged 65 or
above will double to 1.5 billion

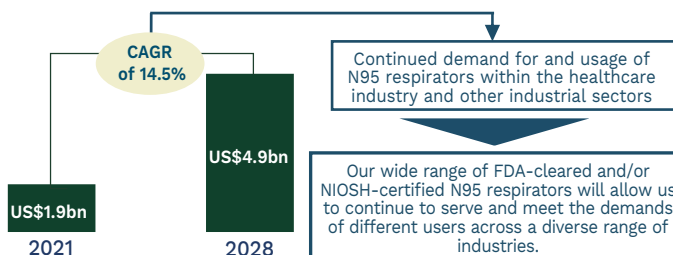
The increase in public healthcare expenditure will result in continuous demand for pharmaceutical products and medical supplies and devices globally

PROSPECTS AND FUTURE PLANS

1. Strengthening our existing business segments and diversification into new geographical market segments
2. Collaborations with strategic business partners and entry into acquisitions, joint ventures and/or strategic partnerships

Mask

Expected global N95 respirators demand



Halal-certified N95 respirators and surgical N95 respirators

We have developed one of the first Halal-certified N95 respirators in the world with a novel head strap

Target Geographies



Leading countries for the demand of N95 respirators



By 2028
US\$543.5
million

Medical Supplies

Private label supply agreement with McKesson

Collaboration with McKesson, one of the largest medical and pharmaceutical distribution companies globally

Augment our product portfolio to meet the demands of the players within the value chain of the global healthcare system

Collaboration with strategic business partners

The associate of our Controlling Shareholder, Palepu Pharma, is one of the largest distributors in the state of Tamil Nadu, India and is engaged in the procurement, wholesale and supply of pharmaceutical products

Sale of masks and medical supplies to Palepu Pharma to tap on their strong presence and extensive network, particularly in respect of the retail and hospital-based pharmacies in India

Collaborations with strategic business partners will broaden our product portfolio and global distribution outreach to other countries and regions such as India

Pharmaceutical Wholesale and Drop-Shipment

Expected Global Pharmaceuticals Demand

CAGR
3.0% to 6.0%

US\$1.8
trillion

2026

Capturing the increasing demand for pharmaceutical products

Rising prevalence of chronic diseases, universal healthcare implementation efforts, growing population and increasing urbanisation continue to drive demand for pharmaceutical products

Tangible opportunities to expand our geographical reach and reputation globally in relation to our pharmaceutical wholesale and drop-shipment business

Targeting High Growth Markets



Other Services

Pet Health Services: Continue expanding and developing our mobile application *furlife* to capture the growing demand for pet health and veterinarian services

CAGR
5.6%

US\$325.7bn

2028

Increased pet ownership during the COVID-19 pandemic as people sought companionship and emotional support is expected to increase the demand for our pet health products and *furlife* services

Oral Disintegrating Strips:

Capitalising on a largely untapped market

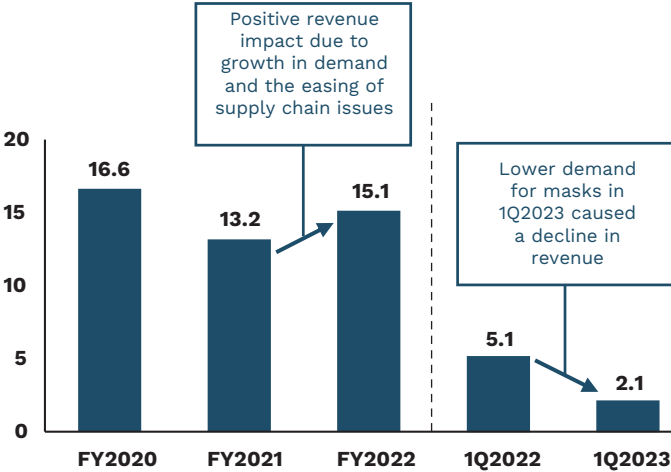
Key Benefit:

Provides ease of administering medication to patients who have difficulty consuming medication in pill or liquid form

Use of ODS products in the pharmaceutical industry remains largely untapped and we intend to develop other types of medication and pharmaceutical products which are suitable for administration in ODS form

FINANCIAL REVIEW

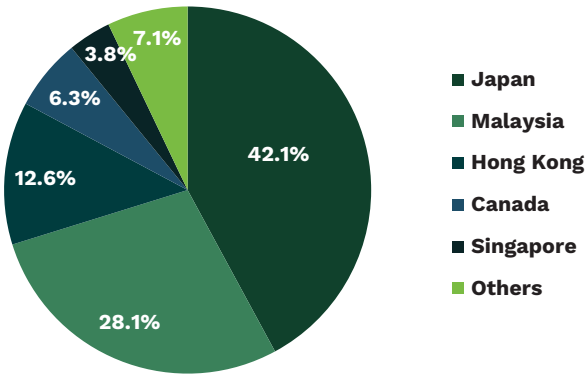
Historical Revenue (US\$'million)



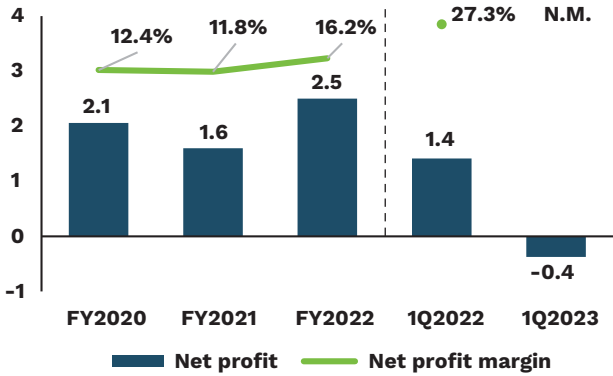
Key Growth Drivers & Prospects

- Private label supply agreement with McKesson will significantly expand our medical supplies portfolio
- Capitalise on our Halal-certified N95 respirators and surgical N95 respirators by exploring opportunities to market and sell to customers and distributors in countries with a predominantly Muslim population
- The Singapore government will start focusing on stockpiling essential medical supplies which our Group is well positioned to source for with our track record and wide connections
- Tap on Palepu Pharma's strong presence and extensive network in India for potential business expansion

Revenue Contribution by Geography for FY2022



Net Profit and Net Profit Margin (US\$'million)



➤ Net loss reported in 1Q2023 mainly due to lower revenue and recognition of one-off professional fees in relation to the Listing

OUR COMPETITIVE STRENGTHS



Comprehensive and well-known product portfolio

- Supply over 1,000 third-party pharmaceutical products and provide our customers with access to a portfolio of over 1,200 medical supplies and devices globally
- Developed strong relationships with leading wholesalers and manufacturers of pharmaceutical products and medical supplies and devices
- Entry into the private label supply agreement with McKesson will significantly expand our medical supplies portfolio



Demonstrated quality assurance capabilities

- Key suppliers have obtained key international standard accreditations and certifications in respect of their manufacturing facilities
- Continuously expanded our outsourced manufacturing capabilities, through increasing the number of manufacturers and manufacturing facilities which we work with
- Stringent standard operating procedures in respect of the receipt, storage and handling of products and controlled drugs
- We have obtained 14 FDA clearances and 20 NIOSH certifications for *Pasture Masks*, signaling our commitment towards quality assurance in respect of the proprietary products we develop



Experienced and dedicated management team

- Dedicated management team with extensive industry knowledge, experience and operational expertise
- With the established track record of our management team, we have earned the recognition of a vast network of customers and have built long-standing working relationships with them

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CORPORATE INFORMATION

| | | |
|---|---|--|
| BOARD OF DIRECTORS | : | <p>Lloyd Soong <i>(Executive Chairman and Chief Executive Officer)</i></p> <p>Claire Soong <i>(Alternate Director to Lloyd Soong)</i></p> <p>Prashanth Palepu <i>(Non-Executive Director)</i></p> <p>Michael Lim <i>(Non-Executive and Lead Independent Director)</i></p> <p>Claudia Teo <i>(Non-Executive and Independent Director)</i></p> <p>Sharon Low <i>(Non-Executive and Independent Director)</i></p> |
| COMPANY SECRETARY | : | <p>Hon Wei Ling (ACS, ACG) (Member of the Chartered Secretaries Institute of Singapore)</p> |
| REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS | : | <p>24 Boon Lay Way #01-73 TradeHub 21 Singapore 609969</p> |
| SHARE REGISTRAR AND SHARE TRANSFER OFFICE | : | <p>Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #02-00 Singapore 068898</p> |
| ISSUE MANAGER, SPONSOR AND PLACEMENT AGENT | : | <p>PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Collyer Quay Centre Singapore 049318</p> |
| SOLICITORS TO THE PLACEMENT AND LEGAL ADVISERS TO OUR COMPANY AS TO SINGAPORE LAW | : | <p>Rajah & Tann Singapore LLP 9 Straits View #06-07 Marina One West Tower Singapore 018937</p> |
| LEGAL ADVISERS TO THE ISSUE MANAGER, SPONSOR AND PLACEMENT AGENT AS TO SINGAPORE LAW | : | <p>Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624</p> |
| INDEPENDENT AUDITOR AND REPORTING ACCOUNTANT | : | <p>RSM Chio Lim LLP 8 Wilkie Road #03-08 Wilkie Edge Singapore 228095</p> <p>Partner-in-charge: Lee Mong Sheong (Member of the Institute of Singapore Chartered Accountants)</p> |

CORPORATE INFORMATION

| | | |
|--|---|--|
| INDEPENDENT FINANCIAL ADVISER | : | Xandar Capital Pte. Ltd. 3 Shenton Way #24-02 Shenton House Singapore 068805 |
| PRINCIPAL BANKER | : | Standard Chartered Bank (Singapore) Limited 8 Marina Boulevard #27-01 Marina Bay Financial Centre Singapore 018981 |
| RECEIVING BANK | : | The Bank of East Asia Limited, Singapore Branch 60 Robinson Road BEA Building Singapore 068892 |

DEFINITIONS

In this Offer Document and the accompanying Application Forms, the following definitions apply where the context so admits:

Group Companies

| | | |
|--|---|---|
| <i>“Company” or “Pasture Holdings”</i> | : | Pasture Holdings Ltd. |
| <i>“Group”</i> | : | Our Company and our subsidiaries as at the date of this Offer Document, unless otherwise stated |
| <i>“Pacific Biosciences”</i> | : | Pacific Biosciences Pte Ltd |
| <i>“Pasture Pharma”</i> | : | Pasture Pharma Pte Ltd |
| <i>“Pasture PharmaHub”</i> | : | Pasture PharmaHub Pte. Ltd. |

Other Corporations and Agencies

| | | |
|---|---|--|
| <i>“Authority” or “MAS”</i> | : | The Monetary Authority of Singapore |
| <i>“CDP”</i> | : | The Central Depository (Pte) Limited |
| <i>“CPF”</i> | : | The Central Provident Fund |
| <i>“FDA”</i> | : | United States Food and Drug Administration |
| <i>“HSA”</i> | : | Health Sciences Authority of Singapore |
| <i>“Independent Auditor and Reporting Accountant”</i> | : | RSM Chio Lim LLP |
| <i>“Independent Financial Adviser”</i> | : | Xandar Capital Pte. Ltd., the independent financial adviser to our Audit Committee in respect of the IPT General Mandate |
| <i>“ISO”</i> | : | International Organization for Standardization |
| <i>“Issue Manager, Sponsor and Placement Agent” or “Issue Manager and Sponsor” or “Placement Agent” or “PPCF”</i> | : | PrimePartners Corporate Finance Pte. Ltd. |
| <i>“LPPOM MUI”</i> | : | Lembaga Pengkajian Pangan Obat-obatan dan Kosmetika Majelis Ulama Indonesia, a Halal certification body based in Indonesia and the Middle East |

DEFINITIONS

| | | |
|--------------------------|---|--|
| <i>“MHRA”</i> | : | Medicines and Healthcare products Regulatory Agency, an executive agency of the Department of Health and Social Care in the United Kingdom |
| <i>“NIOSH”</i> | : | National Institute for Occupational Safety and Health |
| <i>“Receiving Bank”</i> | : | The Bank of East Asia Limited, Singapore Branch |
| <i>“SGX-ST”</i> | : | Singapore Exchange Securities Trading Limited |
| <i>“Share Registrar”</i> | : | Tricor Barbinder Share Registration Services |
| <i>“UOB”</i> | : | United Overseas Bank Limited |

General

| | | |
|----------------------------|---|--|
| <i>“1Q”</i> | : | The three-month financial period ended or ending 30 September, as the case may be |
| <i>“Application Forms”</i> | : | The printed application forms to be used for the purpose of the Placement and which form part of this Offer Document |
| <i>“Application List”</i> | : | The list of applications for subscription for the Placement Shares |
| <i>“Associate”</i> | : | <p>(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <p>(i) his immediate family;</p> <p>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or</p> <p>(iii) any company in which he or his immediate family together (directly or indirectly) have an interest of 30.0% or more; or</p> <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more</p> |
| <i>“Audit Committee”</i> | : | The audit committee of our Company as at the date of this Offer Document, unless otherwise stated |

DEFINITIONS

| | | |
|--|---|--|
| <i>“Award”</i> | : | An award of Shares granted pursuant to the Pasture Performance Share Plan |
| <i>“Award Shares”</i> | : | The new Shares which may be allotted and issued from time to time pursuant to the vesting of the Awards granted under the Pasture Performance Share Plan |
| <i>“Board” or “Board of Directors”</i> | : | The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated |
| <i>“CAGR”</i> | : | Compound annual growth rate |
| <i>“Catalist”</i> | : | The Catalist of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST |
| <i>“Catalist Rules”</i> | : | Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time |
| <i>“Closing Date”</i> | : | The date of closing of the Application List or such other date as our Company and the Issue Manager, Sponsor and Placement Agent may agree |
| <i>“Code of Corporate Governance”</i> | : | Code of Corporate Governance 2018 issued by the Authority, as amended modified or supplemented from time to time |
| <i>“Commissioner”</i> | : | Commissioner for Labour under the EA |
| <i>“Companies Act”</i> | : | Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time |
| <i>“Constitution”</i> | : | The constitution of our Company, as amended or modified from time to time |
| <i>“Controlling Shareholder”</i> | : | As defined in the Catalist Rules, a person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15.0% or more of the nominal amount of all the voting shares in our Company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over our Company |
| <i>“COVID-19”</i> | : | Coronavirus disease 2019, a contagious respiratory disease caused by the virus SARS-CoV-2 |
| <i>“Directors”</i> | : | The directors of our Company as at the date of this Offer Document, unless otherwise stated |

DEFINITIONS

| | | |
|---|---|---|
| <i>“EA”</i> | : | Employment Act 1968 of Singapore, as amended, modified or supplemented from time to time |
| <i>“EPS”</i> | : | Earnings per Share |
| <i>“Executive Directors”</i> | : | The executive Directors of our Company as at the date of this Offer Document, unless otherwise stated |
| <i>“Executive Officers”</i> | : | The executive officers of our Group as at the date of this Offer Document, who are also key executives as defined under the SFR, unless otherwise stated |
| <i>“FY”</i> | : | Financial year ended or ending 30 June, as the case may be |
| <i>“GST”</i> | : | Goods and services tax of Singapore |
| <i>“Independent Directors”</i> | : | The non-executive and independent Directors of our Company as at the date of this Offer Document, unless otherwise stated |
| <i>“IPT General Mandate”</i> | : | The general mandate proposed to be adopted by our Company in relation to ongoing and recurrent interested person transactions as set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of this Offer Document |
| <i>“Latest Practicable Date”</i> | : | 20 March 2023, being the latest practicable date for the purposes of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority |
| <i>“Listing”</i> | : | The listing of our Company and quotation of all our Shares on Catalist |
| <i>“Listing and Quotation Notice”</i> | : | The notice issued by the SGX-ST in relation to the registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority |
| <i>“Listing Date”</i> | : | The date of admission of the Shares to the Official List of the Catalist of the SGX-ST |
| <i>“LPS”</i> | : | Loss per Share |
| <i>“Management and Sponsorship Agreement”</i> | : | The management and sponsorship agreement dated 31 May 2023 entered into between our Company and PPCF pursuant to which PPCF agreed to manage and sponsor the Placement, details as described in the section entitled “Plan of Distribution – Management, Sponsorship and Placement Arrangements” of this Offer Document |

DEFINITIONS

| | | |
|---|---|---|
| <i>“Market Day”</i> | : | A day on which the SGX-ST is open for trading in securities |
| <i>“NAV”</i> | : | Net asset value |
| <i>“Nominating Committee”</i> | : | The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated |
| <i>“Non-Executive Directors”</i> | : | The non-executive Directors of our Company (including Independent Directors) as at the date of this Offer Document, unless otherwise stated |
| <i>“NTA”</i> | : | Net tangible assets |
| <i>“Offer Document”</i> | : | This offer document dated 31 May 2023 issued by our Company in respect of the Placement |
| <i>“Pasture Performance Share Plan”</i> | : | The performance share plan of our Company known as the “Pasture Performance Share Plan”, the terms of which are set out in Appendix I to this Offer Document |
| <i>“PDPA”</i> | : | Personal Data Protection Act 2012 of Singapore, as amended, modified or supplemented from time to time |
| <i>“PER”</i> | : | Price-Earnings ratio |
| <i>“Period Under Review”</i> | : | The period which comprises FY2020, FY2021, FY2022 and 1Q2023 |
| <i>“Placement”</i> | : | The placement of the Placement Shares by PPCF on behalf of our Company for subscription at the Placement Price, subject to and on the terms and conditions of this Offer Document |
| <i>“Placement Agreement”</i> | : | The placement agreement dated 31 May 2023 entered into between our Company and PPCF pursuant to which PPCF agreed to subscribe and/or procure subscribers for the Placement Shares, details as described in the section entitled “Plan of Distribution – Management, Sponsorship and Placement Arrangements” of this Offer Document |
| <i>“Placement Price”</i> | : | S\$0.25 for each Placement Share |
| <i>“Placement Shares”</i> | : | The 20,000,000 new Shares which are the subject of the Placement |
| <i>“PRC”</i> | : | People’s Republic of China |
| <i>“Property Disposal”</i> | : | The disposal by our Group of the TradeHub Property on 31 March 2023 |

DEFINITIONS

| | | |
|--|---|--|
| <i>“Remuneration Committee”</i> | : | The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated |
| <i>“Securities Account”</i> | : | The securities account maintained by a Depositor with CDP, but does not include a securities sub-account |
| <i>“Securities and Futures Act” or “SFA”</i> | : | Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time |
| <i>“Service Agreements”</i> | : | The service agreements dated 30 March 2023 entered into between our Company and each of Mr. Lloyd Soong, Ms. Claire Soong and Mr. Titus Cheong, as described in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document |
| <i>“SFR”</i> | : | Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as amended, modified or supplemented from time to time |
| <i>“SFRS(I)”</i> | : | Singapore Financial Reporting Standards (International) |
| <i>“SGXNET”</i> | : | The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies |
| <i>“Share(s)”</i> | : | Ordinary share(s) in the capital of our Company |
| <i>“Share Split”</i> | : | The sub-division of each Share in the capital of our Company into 560 Shares in connection with the Listing and the Placement |
| <i>“Shareholder(s)”</i> | : | Person(s) who are registered as holder(s) of Shares in the register of members of our Company, or where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares, mean Depositors whose Securities Accounts are credited with Shares |
| <i>“Singapore”</i> | : | The Republic of Singapore |
| <i>“Substantial Shareholder”</i> | : | A person who has an interest in our Shares of not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) of our Company |
| <i>“Take-over Code”</i> | : | The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time |
| <i>“TradeHub Property”</i> | : | The property located at Block 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969, which was owned by Pasture Pharma as at the Latest Practicable Date |

DEFINITIONS

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| <i>“U.S.” or “United States”</i> | : | United States of America |
| <i>“WICA”</i> | : | Work Injury Compensation Act 2019 of Singapore, as amended, modified or supplemented from time to time |
| <i>“WSHA”</i> | : | Workplace Safety and Health Act 2006 of Singapore, as amended, modified or supplemented from time to time |

Currencies, Units and Others

| | | |
|------------------------------|---|---|
| <i>“%” or “per cent.”</i> | : | Per centum |
| <i>“S\$” and “cents”</i> | : | Singapore dollars and cents, the lawful currency of Singapore |
| <i>“US\$” and “US cents”</i> | : | U.S. dollars and cents, the lawful currency of the U.S. |
| <i>“EUR”</i> | : | Euros, the lawful currency of the European Union |
| <i>“JPY”</i> | : | Japanese yen, the lawful currency of Japan |

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| Names used in this Offer Document | : | Name in National Registration Identity Card (NRIC)/ Passport |
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| | | |
|--------------|---|-------------------------------|
| Claire Soong | : | Claire Soong Jia Li |
| Claudia Teo | : | Teo Kwee Yee |
| Lloyd Soong | : | Soong Chin Kum Jonathan Lloyd |
| Michael Lim | : | Lim Jit Soon |
| Sharon Low | : | Low Su-Shing |
| Titus Cheong | : | Cheong Tuck Yan Titus Jim |

The expressions “associated company”, “associated entity”, “related corporation”, “related entity”, “Entity At Risk”, “Interested Person”, “Interested Person Transaction”, “subsidiary”, “subsidiary entity”, and “substantial interest-holder” shall have the meanings ascribed to them respectively in the SFA, the SFR, the Companies Act and/or the Catalist Rules, as the case may be.

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Any word defined under the Companies Act, the SFA, the SFR, the Catalist Rules or any statutory modification thereof and used in this Offer Document and the Application Forms shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the SFR, the Catalist Rules or any statutory modification thereto, as the case may be.

DEFINITIONS

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

Any reference in this Offer Document and the Application Forms to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted.

Any reference in this Offer Document and the Application Forms to Shares being allotted to an applicant includes allotment to CDP for the account of that Applicant.

Any reference to a date or a time of day in this Offer Document and the Application Forms shall be a reference to Singapore date and time unless otherwise stated.

References in this Offer Document to “our Company”, “our Group”, “we”, “our”, and “us” or any other grammatical variations thereof shall unless otherwise stated, mean our Company, our Group or any member of our Group as the context requires.

Any references in this Offer Document to Appendix or Appendices are references to an appendix or appendices, respectively, to this Offer Document.

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

The information on our website, any website directly or indirectly linked to our website or the websites of any of our related corporations or other entities in which we may have an interest, or any website, is not incorporated by reference into this Offer Document and should not be relied on.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary contains an explanation and description of certain technical terms and abbreviations commonly used in our industry and used in this Offer Document. The terms and their assigned meanings may not correspond to standard industry or common meanings, as the case may be, or usage of these terms, and should not be treated as definitive.

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| <i>“3D”</i> | : | Three-dimensional |
| <i>“aerosols”</i> | : | A suspension of particulate matter such as fine solid particles or liquid droplets in air or another gas |
| <i>“ASTM”</i> | : | ASTM International, an international standards organisation that develops and publishes voluntary consensus technical standards |
| <i>“B2B”</i> | : | Business-to-business |
| <i>“B2C”</i> | : | Business-to-customer |
| <i>“B2G”</i> | : | Business-to-government |
| <i>“BFE”</i> | : | Bacterial filtration efficiency |
| <i>“Halal”</i> | : | Arabic for that which is legally permitted under the Syariah School of Islamic law |
| <i>“mmHg”</i> | : | Millimetres of mercury, a unit of pressure used to measure blood pressure |
| <i>“N95 respirator”</i> | : | A particulate-filtering facepiece respirator that filters at least 95% of airborne particles of at least 0.3 microns |
| <i>“ODS”</i> | : | Oral disintegrating strips |
| <i>“PIC/S”</i> | : | Pharmaceutical Inspection Co-operation Scheme |
| <i>“PM 2.5”</i> | : | Particulate matter 2.5, which refers to atmospheric particulate matter which is two and a half microns or less in width |
| <i>“VFE”</i> | : | Viral filtration efficiency |

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers, employees or authorised persons acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “anticipate”, “believe”, “could”, “estimate”, “profit estimate”, “expect”, “intend”, “may”, “plan”, “will” and “would” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, trend information, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to our revenue and profitability, cost measures, planned strategy, anticipated expansion plans, expected growth in demand, expected industry trends and any other matters discussed in this Offer Document regarding matters that are not historical fact, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, amongst others, the following:

- (a) the extensive legal, regulatory, licensing and accreditation requirements in the highly regulated industries in which we operate;
- (b) the competition from other established market players as we operate in a highly competitive industry;
- (c) the risk that our products could become non-competitive as we operate in an industry which is characterised by rapid changes and advances in medical technologies or other developments;
- (d) our dependence on the continued employment and performance of key management personnel;
- (e) our inability to successfully attract, retain and motivate adequately skilled professionals;
- (f) our dependence on third-party manufacturers and suppliers and disruptions in supply;
- (g) the impact of COVID-19 or the spread of diseases or an outbreak of any contagious or virulent diseases and pandemics or epidemics;
- (h) the risk of defects, lapses in quality or any counterfeits in respect of the products supplied to us;
- (i) our susceptibility to supply chain disruptions and failures;
- (j) our inability to successfully develop, license and register our pharmaceutical products and medical supplies and devices;
- (k) our reliance on third-party distribution channels for the distribution of our pharmaceutical products and medical supplies and devices in jurisdictions other than Singapore; and
- (l) other factors beyond our control.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The risk factors above are not exhaustive and are discussed in greater detail in this Offer Document, in particular, but not limited to, the discussions under the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “General Information on our Group – Prospects and Trends” of this Offer Document. All forward-looking statements by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as of the date of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements. None of us, the Issue Manager, Sponsor and Placement Agent or any other person represents or warrants that our actual future results, performance or achievements will be as discussed in those statements.

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Issue Manager, Sponsor and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the SFA and the Catalist Rules regarding the contents of this Offer Document and/or corporate disclosure.

In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document but before the close of the Placement, we become aware of:

- (a) a false or misleading statement in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under the Section 243 of the SFA; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, which would have been required by Section 243 of the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, our Company may, in consultation with the Issue Manager, Sponsor and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

PRESENTATION OF FINANCIAL AND STATISTICAL INFORMATION

This Offer Document contains the audited consolidated financial statements of our Group for FY2020, FY2021 and FY2022, and the interim unaudited consolidated financial statements of our Group for the three-month period ended 30 September 2022, together with the related notes thereto, as set out in Appendices A and B to this Offer Document, respectively, which has been prepared in accordance with the SFRS(I).

This Offer Document also contains the unaudited *pro forma* consolidated financial information of our Group for FY2022 and 1Q2023, together with the related notes thereto, as set out in Appendix C to this Offer Document, which has been compiled based on the audited consolidated financial statements of our Group for FY2022 and the interim unaudited consolidated financial statements of our Group for 1Q2023 as set out in Appendices A and B to this Offer Document, respectively, which have been prepared in accordance with the SFRS(I).

The SFRS(I) differs in certain respects from generally accepted accounting principles in certain other countries, including the U.S.. We have not provided a quantitative reconciliation or narrative discussion of these differences in this Offer Document. Investors should consult their own professional advisers for an understanding of the differences between the SFRS(I) and generally accepted accounting principles in other countries, including the U.S. and how those differences might affect such financial statements and financial information and, more generally, the financial results of our Group going forward.

The preparation of our financial statements in conformity with the SFRS(I) at times requires our management to make subjective estimates and judgements regarding matters that are inherently uncertain. Such estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and judgements affect reported amounts and disclosures. Our results of operations may differ if prepared under different estimates and judgements.

We will, in accordance with the relevant laws and regulations in Singapore, prepare all future periodic financial reports which we will release on SGXNET, and all audited financial statements which we will provide to our Shareholders, in accordance with the SFRS(I).

Certain numerical figures set out in this Offer Document, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments, and, as a result, the totals of the data in this Offer Document may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document are approximate figures and have been calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data (subject to rounding) contained in this Offer Document, as applicable, and not using the numerical data in the narrative description thereof.

INDUSTRY AND MARKET DATA

This Offer Document includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information.

While we and the Issue Manager, Sponsor and Placement Agent have taken reasonable steps to ensure that the information is extracted accurately and in its proper context, we cannot ensure the accuracy of the information or data and we, the Issue Manager, Sponsor and Placement Agent and any of our or their affiliates or advisers have not independently verified any of the information or data from third-party sources or ascertained the underlying assumptions relied upon therein. Consequently, none of us, the Issue Manager, Sponsor and Placement Agent or our or their respective officers, agents, employees and advisers make any representation as to the accuracy or completeness of such information or data and shall not be obliged to provide any updates on the same.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

No action has been or will be taken under the requirements of the legal or regulatory requirements of any jurisdiction to permit a public offering, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the Placement Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us and the Issue Manager, Sponsor and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us and the Issue Manager, Sponsor and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit the same to occur.

By accepting this Offer Document, you agree to be bound by the foregoing limitations. No part of this Offer Document may be (a) copied, photocopied or duplicated in any form by any means; or (b) distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

DETAILS OF THE PLACEMENT

LISTING ON CATALIST

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. Registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the SFA, the SFR, the Catalist Rules or any other legal or regulatory requirements have been complied with. Each of the Authority and/or the SGX-ST has not, in any way, considered the merits of our existing issued Shares, the Placement Shares or the Award Shares, as the case may be, being offered for investment. We have not lodged or registered this Offer Document in any other jurisdiction.

An application has been made to the SGX-ST, acting as agent on behalf of the Authority, for permission to deal in, and for the listing and quotation of, all our Shares already issued, the Placement Shares and the Award Shares, on Catalist. Such permission will be granted when our Company has been admitted to Catalist. Our acceptance of applications and the allotment and allocation of the Placement Shares will be conditional upon, amongst others, the completion of the Placement, which is subject to certain conditions, including permission being granted by the SGX-ST to deal in, and for quotation of, all our Shares, including the Placement Shares and the Award Shares, on Catalist. Monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, if the completion of the Placement does not occur because the said permission is not granted or for any reason, and the applicant will not have any claim against us and the Issue Manager, Sponsor and Placement Agent. After the expiration of six (6) months from the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, no person shall make an offer of our Shares or allot, issue or sell any of our Shares on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Mainboard of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Issue Manager, Sponsor and Placement Agent confirming that our Company is suitable to be listed on Catalist and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of our existing issued Shares, the Placement Shares and the Award Shares being offered for investment.

Admission to Catalist is not to be taken as an indication of the merits of the Placement, our Company, our subsidiaries, our existing issued Shares, the Placement Shares or the Award Shares.

Notification under Section 309B(1) of the SFA: The Shares, which are stocks or shares issued or proposed to be issued by a corporation or body unincorporate (other than a corporation or body unincorporate that is a collective investment scheme), are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded

DETAILS OF THE PLACEMENT

Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

We are subject to the provisions of the SFA, the SFR and the Catalyst Rules regarding corporate disclosure. In particular, if after the registration of this Offer Document but before the close of the Placement, we become aware of:

- (a) a false or misleading statement in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under the requirements of Section 243 of the SFA; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, which would have been required by Section 243 of the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may, in consultation with the Issue Manager, Sponsor and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares and:

- (a) where the Placement Shares have not been issued to the applicants, we shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, as the case may be, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; and (B) take all reasonable steps to make available within a reasonable period of time the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document, as the case may be;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) (A) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk; or

DETAILS OF THE PLACEMENT

- (b) where the Placement Shares have been issued to the applicants, we shall either:
- (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, as the case may be, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in; and (B) take all reasonable steps to make available within a reasonable period of time the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document, as the case may be;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in; or
 - (iii) (A) treat the issue of the Placement Shares as void, in which case the issue of the Placement Shares shall be deemed void; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk.

Any applicant who wishes to exercise his option under paragraph (a)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, as the case may be, notify us of this, whereupon we shall, within seven (7) days from the receipt of such notification, return to him all monies paid by him on account of his application for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk and the applicant shall not have any claim against us and/or the Issue Manager, Sponsor and Placement Agent.

Any applicant who wishes to exercise his option under paragraph (b)(i) or (ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, as the case may be, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares, to us, whereupon we shall, within seven (7) days from the receipt of such notification and documents, if any, return to him all monies paid by him for those Placement Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Placement Shares shall be deemed to be void, and he shall not have any claim against us and/or the Issue Manager, Sponsor and Placement Agent.

Pursuant to Section 242 of the SFA, the Authority and/or the SGX-ST, acting as agent on behalf of the Authority, may, in certain circumstances issue a stop order (the "**Stop Order**") to our Company, directing that no Placement Shares or no further Shares to which this Offer Document relates, be allotted, issued or sold. Such circumstances will include a situation where (a) this Offer Document contains any statement or matter which, in the Authority's opinion, is false or misleading; (b) this Offer Document omits any information that should have been included in it under the SFA; (c) this Offer Document does not, in the Authority's opinion, comply with the requirements of the SFA, or (d) the Authority is of the opinion that it is in the public interest to do so.

DETAILS OF THE PLACEMENT

In the event that the Authority, or the SGX-ST, acting as agent on behalf of the Authority, issues a Stop Order and applications to subscribe for the Placement Shares have been made prior to the Stop Order, then:

- (a) where the Placement Shares have not been issued to the applicants, the applications of the Placement Shares pursuant to the Placement shall be deemed to have been withdrawn and cancelled and we shall, within 14 days from the date of the Stop Order, return to the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or
- (b) where the Placement Shares have been issued to the applicants, the issue of the Placement Shares pursuant to the Placement shall be deemed to be void and we shall, within 14 days from the date of the Stop Order, return to the applicants all monies paid by them for the Placement Shares.

Such monies paid in respect of an application will be returned to the applicants at their own risk, without interest or any share of revenue or other benefit arising therefrom, and they will not have any claim against our Company and/or the Issue Manager, Sponsor and Placement Agent.

No representation, warranty or covenant, expressed or implied, is made by us, the Issue Manager, Sponsor and Placement Agent or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Offer Document is, or shall, to the extent permitted by law, be relied upon as a promise, representation or covenant by us, the Issue Manager, Sponsor and Placement Agent or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

Neither our Company and/or the Issue Manager, Sponsor and Placement Agent, nor any other parties involved in the Placement is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us and/or the Issue Manager, Sponsor and Placement Agent. Neither the delivery of this Offer Document and the Application Forms nor any documents relating to the Placement, nor the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our subsidiaries or in any statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we will comply with the relevant provisions and, if required, make an announcement of the same to the SGX-ST and to the public and/or lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority. You should take note of any such announcement and, upon release of such an announcement, shall be deemed to have been given notice of such changes.

DETAILS OF THE PLACEMENT

Nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Placement Shares are offered for subscription solely on the basis of the instructions contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any persons other than the applicants in connection with their application for the Placement Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability during office hours, from:

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00
Collyer Quay Centre
Singapore 049318

An electronic copy of this Offer Document is also available on the SGX-ST's website at <http://www.sgx.com>.

The Placement will be open from 31 May 2023 immediately upon the registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority (the "Registration") until 12.00 noon on 7 June 2023.

The Application List will open immediately upon the Registration and will remain open until 12.00 noon on 7 June 2023, or for such further period or periods as our Directors may, in consultation with the Issue Manager, Sponsor and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary offer document or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures to subscribe for the Placement Shares are set out in "Appendix E – Terms, Conditions and Procedures for Application and Acceptance" to this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Placement and trading in our Shares is set out below:

| Indicative date/time | Event |
|--|--|
| 31 May 2023 (immediately upon registration of this Offer Document) | Commencement of the Placement |
| 7 June 2023 at 12.00 noon | Close of Application List |
| 9 June 2023 at 9.00 a.m. | Commence trading on a “ready” basis |
| 13 June 2023 | Settlement date for all trades done on a “ready” basis |

The above timetable is indicative only and is subject to change at our discretion, with the agreement of the Issue Manager, Sponsor and Placement Agent. It assumes that the date of closing of the Application List is 7 June 2023, the date of admission of our Company to Catalist is 9 June 2023, the SGX-ST’s shareholding spread requirement will be complied with and the Placement Shares will be issued and fully paid-up prior to 9 June 2023. The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST. All dates and times referred to above are Singapore dates and times.

We may, at our discretion, in consultation with the Issue Manager, Sponsor and Placement Agent and subject to all laws and regulations and the Catalist Rules, agree to extend or shorten the Placement period, provided that the Placement period may not be less than two (2) Market Days.

The above timetable and procedures may be subject to such modifications as the SGX-ST may, in its absolute discretion, decide, including the decision to permit commencement of trading on a “ready” basis and the commencement date of such trading.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the internet at the SGX-ST’s website, <http://www.sgx.com>; and
- (b) in one or more major English language newspaper(s) in Singapore.

Our Company reserves the right to reject or accept, in whole or in part, or to scale down any application for the Placement Shares, without assigning any reason, and no enquiry and/or correspondence on the decision of our Company will be entertained.

We will publicly announce the level of subscription for the Placement Shares and the basis of allotment and/or allocation of the Placement Shares as soon as it is practicable after the close of the Application List through the channels described in (a) and (b) above.

Investors should consult the SGX-ST’s announcement on the “ready” trading date released on the internet (at the SGX-ST’s website, <http://www.sgx.com>) or the local newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

PLAN OF DISTRIBUTION

THE PLACEMENT

The Placement is in respect of 20,000,000 Placement Shares (representing in aggregate approximately 15.2% of our Company's share capital immediately after the completion of the Placement) offered in Singapore by way of placement, and the listing is managed and sponsored by PPCF.

Prior to the Placement, there has been no public market for our Shares. The Placement Price is determined by our Company following consultation with the Issue Manager, Sponsor and Placement Agent, taking into consideration, amongst others, the prevailing market conditions and estimated market demand for our Shares (including the Placement Shares) determined through a book-building process. The Placement Price is the same for all Placement Shares and is payable in full on application.

The minimum initial application is for 1,000 Shares. An applicant may apply to subscribe for a larger number of Placement Shares in integral multiples of 100 Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of Shares to be allotted to any single applicant and/or to allot Shares above or under such prescribed limit as we shall deem fit.

Pursuant to the Management and Sponsorship Agreement entered into between us and PPCF as set out in the section entitled "Plan of Distribution – Management, Sponsorship and Placement Arrangements" of this Offer Document, we have appointed PPCF and PPCF has agreed to act as full sponsor for the Listing. PPCF as the Issue Manager and Sponsor will receive a management fee for their services rendered in connection with the Placement.

PLACEMENT SHARES

The Placement Shares are made available to retail and institutional investors in Singapore. Applications for the Placement Shares may be made by way of printed Application Forms or such other forms of application as the Issue Manager, Sponsor and Placement Agent deems appropriate. The terms and conditions and procedures for application and acceptance are set out in "Appendix E – Terms, Conditions and Procedures for Application and Acceptance" to this Offer Document.

Pursuant to the terms and conditions contained in the Placement Agreement as disclosed in the section entitled "Plan of Distribution – Management, Sponsorship and Placement Arrangements" of this Offer Document, PPCF as the Placement Agent has agreed to subscribe for or procure subscribers for the Placement Shares at the Placement Price.

Subscribers for the Placement Shares may be required to pay brokerage of up to 1.0% of the Placement Price (and the prevailing GST thereon, if applicable) to the Placement Agent or any sub-placement agent as may be appointed by the Placement Agent as well as stamp duties and other charges.

SUBSCRIPTION FOR THE PLACEMENT SHARES

None of our Directors or Substantial Shareholders intend to subscribe for the Placement Shares pursuant to the Placement. As far as we are aware, none of our Independent Directors, the members of our Company's management or employees intend to subscribe for more than 5.0% of the Placement Shares in the Placement. In the event that any Placement Shares are subscribed

PLAN OF DISTRIBUTION

for by our Directors, Substantial Shareholders and/or their respective Associates, such subscriptions will be disclosed in an announcement in accordance with Rule 428 of the Catalist Rules.

To the best of our knowledge, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for more than 5.0% of the Placement Shares in the Placement.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for more than 5.0% of the Placement Shares. If such person(s) were to make an application for more than 5.0% of the Placement Shares and are subsequently allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allocation and allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406(1) of the Catalist Rules.

No Shares shall be issued and allotted and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority.

MANAGEMENT, SPONSORSHIP AND PLACEMENT ARRANGEMENTS

Management and Sponsorship Agreement

Pursuant to the Management and Sponsorship Agreement entered into between our Company and PPCF, our Company has appointed PPCF as the Issue Manager and Sponsor to manage and sponsor the Listing. PPCF will receive a management fee from our Company for its services rendered in connection with the Listing.

The Issue Manager and Sponsor is entitled, by notice in writing to our Company, to terminate the Management and Sponsorship Agreement if, at any time prior to the date and time of the commencement of trading of our Shares on Catalist, amongst others:

- (a) the Issue Manager and Sponsor becomes aware of any material breach of any of the warranties, representations, covenants or undertakings given by our Company to the Issue Manager and Sponsor in the Management and Sponsorship Agreement;
- (b) any of the conditions specified in the Management and Sponsorship Agreement has not been satisfied or waived by the Issue Manager and Sponsor on or before the Closing Date;
- (c) there shall have been or come into effect, since the date of the Management and Sponsorship Agreement:
 - (i) in the reasonable opinion of the Issue Manager and Sponsor, any material adverse effect, or any development involving a prospective material adverse effect; or
 - (ii) in any relevant jurisdiction, any introduction or prospective introduction of or any change in any statute, regulation, order, policy or directive (whether or not having the force of law and including without limitation, any directive or request issued by the SGX-ST) or in the interpretation or application thereof by any court or other competent authority; or
 - (iii) any material adverse change, or any development involving a prospective material adverse change or crisis, in local, national or international monetary, financial and

PLAN OF DISTRIBUTION

capital markets (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic or monetary conditions, taxation or exchange controls (including without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the SGX-ST (including Catalist)); or

- (iv) any material adverse change, or any development involving a prospective material adverse change, in local, national or international securities or stock markets or financial markets; or
- (v) any occurrence of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict that may have a material adverse effect on the financial markets; or
- (vi) any regional or local outbreak of disease that may have a material adverse effect on the financial markets; or
- (vii) any event or series of events in the nature of *force majeure* (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism, acts of God, accident, epidemics, earthquakes or interruption or delay in transportation); or
- (viii) any specified event (as defined in the Management and Sponsorship Agreement) comes to the knowledge of the Issue Manager and Sponsor,

which event(s) shall in the reasonable opinion of the Issue Manager and Sponsor, acting in good faith, (A) be likely to materially prejudice the success of the subscription, placement or issue of the Placement Shares (whether in the primary market or in respect of dealings in the secondary market) or be likely to have a material adverse effect (as defined in the Management and Sponsorship Agreement) or a material adverse effect on the Placement, or (B) be likely to have a material adverse effect on the business, trading position, operations or prospects of our Company or of our Group as a whole, or (C) make it impracticable or inadvisable to proceed with the subscription, placement or issue of the Placement Shares, or (D) be such that no reasonable issue manager or sponsor would have entered into the Management and Sponsorship Agreement, or (E) result in a material fluctuation or material adverse conditions in the SGX-ST (including Catalist) which event(s) shall in the reasonable opinion of the Issue Manager and Sponsor exercised in good faith be likely to have a material adverse effect on the Placement, or (F) make it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for the Issue Manager and Sponsor to observe or perform or be obliged to observe or perform the terms of the Management and Sponsorship Agreement;

- (d) a Stop Order is issued by the SGX-ST, acting as agent on behalf of the Authority, or other competent authority pursuant to the SFA (notwithstanding that a supplementary or replacement offer document is subsequently registered with the SGX-ST, acting as agent on behalf of the Authority);
- (e) the SGX-ST or the Authority or other regulatory body having authority over our Company shall make any ruling (or revoke any ruling previously made) the effect of which would restrict or materially impede the listing and quotation of the Placement Shares;

PLAN OF DISTRIBUTION

- (f) the issue and subscription of the Placement Shares in accordance with the provisions of the Management and Sponsorship Agreement shall be prohibited by any applicable laws or statute, order, regulation or directive issued by, or objected to by, any legislative, executive or regulatory body or authority of Singapore or elsewhere (including without any limitation, the Authority and the SGX-ST);
- (g) there is a conflict of interest for the Issue Manager and Sponsor, or any dispute, conflict or disagreement with our Company which cannot be reasonably resolved, or our Company wilfully fails to comply with any advice from or recommendation of the Issue Manager and Sponsor;
- (h) there comes to the notice of the Issue Manager and Sponsor (i) any statement contained in this Offer Document or the Application Forms relating hereto which in the sole and absolute opinion of the Issue Manager and Sponsor, acting reasonably, has become untrue, incorrect or misleading in any material respect; or (ii) circumstances or matters have arisen or have been discovered, which would, if this Offer Document was to be issued at that time, constitute in the sole and absolute opinion of the Issue Manager and Sponsor, acting reasonably, a material omission of such information, and our Company fails to lodge a supplementary or replacement offer document or document within a reasonable time after being notified of such a material misrepresentation or omission or fails to promptly take such steps as the Issue Manager and Sponsor may reasonably require to inform investors of the lodgement of such supplementary or replacement offer document or document; or
- (i) our Company has not been admitted to the Official List of Catalist or there is no listing of or quotation for trading of the Shares or the Placement Shares on Catalist on or before 30 June 2023 (or such other date as our Company, the Issue Manager and Sponsor and the SGX-ST may agree).

Placement Agreement

Pursuant to the Placement Agreement entered between our Company and PPCF, our Company has appointed PPCF as the Placement Agent to procure subscriptions for the Placement Shares for a placement commission of 3.0% of the Placement Price multiplied by the total number of Placement Shares successfully subscribed for, payable by our Company. Subject to any applicable laws and regulations, the Placement Agent may, at its absolute discretion, appoint one (1) or more sub-placement agents for the Placement.

The Placement Agreement and the obligations of the Placement Agent under the Placement Agreement are conditional upon, amongst others:

- (a) this Offer Document, and any other documents required by the Catalist Rules to be annexed to this Offer Document in accordance with the Catalist Rules having been registered by the SGX-ST, acting as agent on behalf of the Authority, by the date of registration in accordance with the Catalist Rules;
- (b) the Listing and Quotation Notice being issued or granted by the SGX-ST, acting as agent on behalf of the Authority, and such Listing and Quotation Notice not being revoked or withdrawn on or prior to the Closing Date;
- (c) the compliance by our Company to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST in granting the Listing and Quotation Notice (if any), where such conditions are required to be complied with by the Closing Date;

PLAN OF DISTRIBUTION

- (d) such approvals as may be required for the transactions described in the Placement Agreement and in this Offer Document in relation to the Admission and the Placement being obtained, and not withdrawn or amended, on or before the date on which our Company is admitted to Catalist (or such other date as our Company and the Placement Agent may agree in writing);
- (e) the offer, allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to our Company or the Placement Agent;
- (f) there not having occurred, in the reasonable opinion of the Placement Agent, any material adverse effect or any development likely to result in a material adverse effect, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the reasonable opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Placement or dealings in the secondary market nor the occurrence of any event;
- (g) the compliance by our Company with all applicable laws and regulations concerning the Admission, the listing of the Shares, the Placement Shares and the Award Shares on Catalist and the transactions contemplated in the Placement Agreement and this Offer Document and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or any other similar matter having occurred which, in the reasonable opinion of the Placement Agent, has or may have a material adverse effect on the Placement and the listing of the Shares, the Placement Shares and the Award Shares on Catalist;
- (h) the letters of undertaking referred to in the section entitled “Shareholders – Moratorium” of this Offer Document being executed and delivered to the Issue Manager, Sponsor and Placement Agent before the date of registration of this Offer Document;
- (i) the conditions under the Management and Sponsorship Agreement having been fulfilled and each of the receiving bank agreement, the depository agreement and the Management and Sponsorship Agreement having been entered into and being in full force and effect and not being terminated or rescinded pursuant to the provisions thereof; and
- (j) the representations, warranties and undertakings in the Placement Agreement that are qualified by materiality remaining true and accurate in all respects as at the Closing Date, the representations, warranties and undertakings in the Placement Agreement that are not qualified by materiality remaining true and accurate in all material respects as at the Closing Date, there not being any material breach by our Company of any of our obligations thereunder and our Company having performed all of our obligations in the Placement Agreement to be performed on or before the Closing Date.

Other than pursuant to the Placement Agreement, there are no contracts, agreements or understandings between our Company and any person or entity that would give rise to any claim for brokerage commission, finder’s fees or other payments in connection with the subscription of the Placement Shares.

PLAN OF DISTRIBUTION

Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in our Company.

Pursuant to the Management and Sponsorship Agreement and the Placement Agreement, our Company will hold the Issue Manager, Sponsor and Placement Agent, its affiliates and their respective directors, officers, representatives, employees and agents (including the directors and employees of such agents) ("**Indemnified Persons**") fully and effectively indemnified against all liabilities, costs and expenses arising out of any claim which may be brought or threatened to be brought against any of them in relation to the Admission and/or the Placement (whether or not such claim is successful, compromised or settled) for whatever reasons, including but not limited to:

- (a) any failure by our Company to comply with the Catalist Rules and/or any statute or statutory regulation, governmental or ministerial order or decree, or decision or circular of the SGX-ST or any other authority (including without limitation to the foregoing, any directive or order by the Authority or the SGX-ST pursuant to the SFA and the Catalist Rules);
- (b) this Offer Document (or any amendment or supplement thereto) and/or the offering materials not containing all information required or material in the context of the offering of the Placement Shares, or any statement contained therein or in any information which is otherwise supplied by our Company to the Issue Manager, Sponsor and Placement Agent in connection with the Placement being untrue, incorrect or misleading;
- (c) the performance by the Issue Manager and Sponsor and the Placement Agent of its obligations under the Management and Sponsorship Agreement and the Placement Agreement, respectively, or in connection with the Placement;
- (d) any material misrepresentation contained in this Offer Document; and
- (e) any breach or alleged breach by our Company of any of the representations and warranties contained in the Management and Sponsorship Agreement and the Placement Agreement or the certificate to be delivered by the Company to the Issue Manager, Sponsor and Placement Agent or of any obligations of our Company contained in the Management and Sponsorship Agreement and the Placement Agreement,

including in any such case (but without prejudice to the generality of the foregoing) all reasonable costs, charges and expenses which the Indemnified Persons may incur or bear in disputing any such claim made against them or in establishing any claim on their part under the foregoing provisions, in each case except in relation to any claim arising from the wilful misconduct, wilful default, fraud, deceit, malice or gross negligence of the Indemnified Persons.

The Management and Sponsorship Agreement and the Placement Agreement are each conditional upon the other not being terminated or rescinded pursuant to the provisions of the Management and Sponsorship Agreement and the Placement Agreement (as the case may be) and may be terminated on the occurrence of certain events, including those specified above. In the event that the Management and Sponsorship Agreement or the Placement Agreement is terminated, our Company reserves the right, at the absolute discretion of our Directors, to cancel the Placement.

PLAN OF DISTRIBUTION

INTERESTS OF THE ISSUE MANAGER, SPONSOR AND PLACEMENT AGENT

In the reasonable opinion of our Directors, PPCF does not have a material relationship with our Company save as disclosed below and in the section entitled “Plan of Distribution – Management, Sponsorship and Placement Arrangements” of this Offer Document:

- (a) PPCF is the Issue Manager, Sponsor and Placement Agent for the Placement; and
- (b) PPCF will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on Catalist.

NO INTRODUCER AND CONSULTANTS

There are no introducers to the Placement and no consultants have been engaged by our Group in relation to the Placement and/or the Listing, or to assist in the issue of securities or securities-based derivatives contracts to investors during the period of 12 months prior to the date of lodgement of this Offer Document, for the purposes of facilitating the Placement and our application for the Listing.

OFFER DOCUMENT SUMMARY

The information contained in this summary is derived from, and should be read in conjunction with, the full text of this Offer Document. As it is a summary, it does not contain all of the information that prospective investors should consider before investing in our Shares. Prospective investors should read this entire Offer Document carefully, especially the section entitled “Risk Factors” of this Offer Document and our financial statements and related notes before deciding on whether or not to invest in our Shares.

OUR COMPANY

Our Company was incorporated in Singapore on 3 November 2017 under the Companies Act as a private limited company, under the name of “Pasture Holdings Pte. Ltd.”. Our Company’s registration number is 201731601W. Our Company was converted into a public limited company and the name of our Company was changed to “Pasture Holdings Ltd.” in connection therewith on 28 March 2023.

BUSINESS OVERVIEW

Our Group is a pharmaceutical products and medical supplies and devices company based in Singapore. With over 26 years of track record, we have seen steady business growth and development and the expansion of our position globally, through the development of core competencies across the pharmaceutical products and medical supplies and devices industry, such as the development of a range of proprietary masks under our *Pasture Masks* brand, as well as other pharmaceutical products.

We are primarily a B2B and B2G goods and services provider, with our major customers being distributors of pharmaceutical products and medical supplies and devices, as well as governments and institutional customers such as hospitals, pharmacies and other healthcare institutions. Notwithstanding this, we are continuously looking to expand into new markets, including B2C markets such as the pet pharmaceuticals market. In this regard, we are constantly looking to innovate and develop new products and solutions that improve and maximise quality of life.

As at the Latest Practicable Date, our core business comprises the following three (3) key business segments: (a) mask and medical supplies; (b) pharmaceutical wholesale and drop-shipment; and (c) other services.

Further details are set out in the sections entitled “General Information on our Group – History” and “General Information on our Group – Business Overview” of this Offer Document.

COMPETITIVE STRENGTHS

We believe that we are able to compete effectively due to the following competitive strengths:

- (a) we have an established market presence through our *Pasture Masks* which are used by various medical and healthcare institutions, a customer group where our long-standing relationship and access is difficult to replicate;
- (b) we have a comprehensive and well-known product portfolio, and we have strong, long-standing relationships with our major suppliers;

OFFER DOCUMENT SUMMARY

- (c) we have demonstrated quality assurance capabilities; and
- (d) we have an experienced and dedicated management team with an established track record in delivering innovative solutions and operational business expertise.

For further details, please refer to the section entitled “General Information on our Group – Competitive Strengths” of this Offer Document.

SUMMARY OF OUR FINANCIAL INFORMATION

The following tables present a summary of our financial highlights and should be read in conjunction with the sections entitled “Summary of our Financial Information” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, the “Independent Auditor’s Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022”, as set out in Appendix A to this Offer Document, the “Independent Auditor’s Review Report and the Interim Unaudited Consolidated Financial Statements for the Three-Month Period Ended 30 September 2022” as set out in Appendix B to this Offer Document and the “Independent Auditor’s Assurance Report and the Compilation of the Unaudited *Pro Forma* Consolidated Financial Information for the Financial Year Ended 30 June 2022 and Three-Month Period Ended 30 September 2022” as set out in Appendix C to this Offer Document.

Selected Items from our Consolidated Statements of Profit or Loss and Other Comprehensive Income

| | ← Audited → | | | ← Unaudited → | | | |
|--|-------------|--------|---------------------|---------------|--------|-----------------------|-----------------------|
| US\$'000 | FY2020 | FY2021 | FY2022 | 1Q2022 | 1Q2023 | FY2022 (pro forma) | 1Q2023 (pro forma) |
| Revenue | 16,622 | 13,170 | 15,131 | 5,173 | 2,140 | 15,131 | 2,140 |
| Profit/(loss) before tax | 2,432 | 1,857 | 2,860 | 1,704 | (374) | 3,133 | (361) |
| Profit/(loss) net of tax and total comprehensive income/(loss) | 2,058 | 1,556 | 2,450 | 1,414 | (374) | 2,723 | (361) |
| Pre-Placement EPS/(LPS) (US cents) ⁽¹⁾ | 1.84 | 1.39 | 2.19 | 1.26 | (0.33) | 2.43 | (0.32) |
| Post-Placement EPS/(LPS) (US cents) ⁽²⁾ | 1.56 | 1.18 | 1.86 ⁽³⁾ | 1.07 | (0.28) | 2.06 ⁽⁴⁾ | (0.27) |

Notes:

- (1) For comparative purposes, EPS/(LPS) for the Period Under Review has been computed based on the profit/(loss) net of tax and total comprehensive income/(loss) and our pre-Placement share capital of 112,000,000 Shares (after adjusting for the Share Split).
- (2) For comparative purposes, EPS adjusted for the Placement for the Period Under Review has been computed based on the profit/(loss) net of tax and total comprehensive income/(loss) and our post-Placement share capital of 132,000,000 Shares.
- (3) Had the Service Agreements (as set out in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document) been in effect since 1 July 2021, the profit net of tax and total comprehensive income and adjusted EPS based on our Company’s post-Placement share capital of 132,000,000 Shares for FY2022 would have been approximately US\$2.2 million and 1.69 US cents, respectively.

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- (4) Had the Service Agreements (as set out in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document) been in effect since 1 July 2021, the unaudited *pro forma* profit net of tax and total comprehensive income and adjusted EPS based on our Company’s post-Placement share capital of 132,000,000 Shares for FY2022 would have been approximately US\$2.5 million and 1.90 US cents, respectively.

Selected Items from our Consolidated Statements of Financial Position

| | Audited | | | Unaudited | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------|--|---|
| | As at 30 June 2020 | As at 30 June 2021 | As at 30 June 2022 | As at 30 September 2022 | As at 30 June 2022 (<i>pro forma</i>) | As at 30 September 2022 (<i>pro forma</i>) |
| US\$'000 | | | | | | |
| Non-current assets | 1,403 | 1,335 | 1,727 | 1,739 | 465 | 485 |
| Current assets | 10,929 | 5,745 | 5,845 | 5,683 | 6,566 | 6,376 |
| Total assets | 12,332 | 7,080 | 7,572 | 7,422 | 7,031 | 6,861 |
| Non-current liabilities | 796 | 748 | 836 | 797 | 150 | 128 |
| Current liabilities | 9,037 | 5,027 | 5,081 | 5,344 | 5,016 | 5,279 |
| Total liabilities | 9,833 | 5,775 | 5,917 | 6,141 | 5,166 | 5,407 |
| Equity | | | | | | |
| Share capital | 200 | 200 | 200 | 200 | 200 | 200 |
| Retained earnings | 2,299 | 1,105 | 1,455 | 1,081 | 1,665 | 1,254 |
| Total equity | 2,499 | 1,305 | 1,655 | 1,281 | 1,865 | 1,454 |
| NAV per Share (US cents) ⁽¹⁾ | 2.23 | 1.17 | 1.48 | 1.14 | 1.67 | 1.30 |

Note:

- (1) The NAV per Share has been computed based on NAV attributable to the owners of our Company and our pre-Placement share capital of 112,000,000 Shares (after adjusting for the Share Split).

OFFER DOCUMENT SUMMARY

PROSPECTS AND TRENDS

Our Directors believe that the prospects of our Group are encouraging for the following reasons:

- (a) increasing healthcare expenditure in key markets where we operate or are expected to operate in;
- (b) the demand for pharmaceutical products is expected to stabilise post-COVID-19;
- (c) continued demand for and usage of N95 respirators and medical supplies within the healthcare industry and other industrial sectors;
- (d) diversification of supply sources amidst increasing challenges and disruptions in supply chain; and
- (e) increased demand for pet health and veterinarian services.

A detailed discussion of the prospects and trends relevant to our business is set out in the section entitled “General Information on our Group – Prospects and Trends” of this Offer Document.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans are as follows:

- (a) strengthening our existing business segments and diversification into new geographical market segments; and
- (b) collaborations with strategic business partners and entry into acquisitions, joint ventures and/or strategic partnerships.

A detailed discussion of our business strategies and future plans is set out in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document.

OUR CONTACT DETAILS

Our registered office and principal place of business is at 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969. The telephone and facsimile numbers for our registered office and principal place of business are +65 6515 6516 and +65 6515 6513, respectively. Our internet address is <https://pasturegroup.com/> and our email address is contact@pasturegroup.com. **Information contained in our website does not constitute part of this Offer Document and should not be relied on.**

THE PLACEMENT

| | | |
|---------------------------------|---|--|
| Placement Size | : | 20,000,000 Placement Shares by way of the Placement. The Placement Shares, upon issue and allotment, will rank <i>pari passu</i> in all respects with the existing issued Shares. |
| Placement Price | : | S\$0.25 for each Placement Share, payable in full on application. |
| The Placement | : | The Placement comprises a placement by the Placement Agent on behalf of our Company to investors in Singapore and elsewhere to subscribe for 20,000,000 Placement Shares at the Placement Price, subject to and on the terms and conditions set out in this Offer Document. |
| Purpose of the Placement | : | <p>Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and overseas and enable us to raise funds from the capital markets for the expansion of our business operations.</p> <p>The Placement will also provide new investors with an opportunity to participate in the equity of our Company. In addition, the proceeds of the issue of the Placement Shares will provide us with additional capital to fund our business expansion and for general working capital purposes of our Company.</p> |
| Listing Status | : | Prior to the Placement, there has been no public market for our Shares. Our Shares will be quoted in Singapore dollars on Catalist, subject to, <i>inter alia</i> , admission of our Company to Catalist and permission for dealing in, and for quotation of, our existing issued Shares, the Placement Shares and the Award Shares being granted by the SGX-ST and the Authority and/or the SGX-ST not issuing a Stop Order. |
| Use of Proceeds | : | Please refer to the section entitled “Use of Proceeds and Expenses of the Placement” of this Offer Document for more details. |
| Risk Factors | : | Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document. |

EXCHANGE RATES

The following table sets out, for each of the financial years and financial period indicated, the average and closing exchange rates between S\$ and US\$. Where applicable, the exchange rates in the table below used for the translation of our Group's financial statements are disclosed elsewhere in this Offer Document.

| | US\$: S\$ ⁽¹⁾ | |
|--------|--------------------------|---------|
| | Average | Closing |
| FY2020 | 1.3836 | 1.3941 |
| FY2021 | 1.3465 | 1.3449 |
| FY2022 | 1.3599 | 1.3912 |
| 1Q2023 | 1.3978 | 1.4349 |

Source: Capital IQ

The table below sets forth the highest and lowest exchange rates between the S\$ and US\$ for each of the past six (6) months prior to the Latest Practicable Date.

| | US\$: S\$ ⁽¹⁾ | |
|----------------|--------------------------|--------|
| | High | Low |
| February 2023 | 1.3485 | 1.3090 |
| January 2023 | 1.3457 | 1.3127 |
| December 2022 | 1.3591 | 1.3409 |
| November 2022 | 1.4218 | 1.3691 |
| October 2022 | 1.4384 | 1.4046 |
| September 2022 | 1.4394 | 1.3950 |

Source: Capital IQ

As at the Latest Practicable Date, the exchange rate between S\$ and US\$ was US\$1.00 to S\$1.3383.

Note:

- (1) The above exchange rates have been calculated with reference to exchange rates quoted from Capital IQ and should not be construed as representations that the S\$ amounts actually represent such amounts or could be converted into the S\$ at the rate indicated, or at any other rate, or at all. Capital IQ has not consented to the inclusion of the exchange rates quoted under this section for the purposes of Section 249 of the SFA and is thereby not liable for these exchange rates under Sections 253 and 254 of the SFA. While our Directors and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

PLACEMENT STATISTICS

| | |
|------------------------|-------------|
| Placement Price | 25.00 cents |
|------------------------|-------------|

NAV

The NAV per Share based on the unaudited *pro forma* consolidated statement of financial position of our Group as at 30 September 2022:

- | | |
|---|------------|
| (a) before adjusting for the estimated net proceeds of the Placement and based on our Company's pre-Placement share capital of 112,000,000 Shares (after adjusting for the Share Split) | 1.86 cents |
| (b) after adjusting for the estimated net proceeds of the Placement and based on our Company's post-Placement share capital of 132,000,000 Shares | 4.14 cents |

Premium of the Placement Price over the *pro forma* NAV per Share as at 30 September 2022:

- | | |
|---|-----------|
| (a) before adjusting for the estimated net proceeds of the Placement and based on our Company's pre-Placement share capital of 112,000,000 Shares (after adjusting for the Share Split) | 1,244.09% |
| (b) after adjusting for the estimated net proceeds of the Placement and based on our Company's post-Placement share capital of 132,000,000 Shares | 503.86% |

EPS

| | |
|--|------------|
| EPS based on the unaudited <i>pro forma</i> consolidated statement of profit and loss and other comprehensive income of our Group for FY2022 and based on our Company's post-Placement share capital of 132,000,000 Shares | 2.81 cents |
|--|------------|

| | |
|--|------------|
| EPS of our Group based on the unaudited <i>pro forma</i> consolidated statement of profit and loss and other comprehensive income of our Group for FY2022 and based on our Company's post-Placement share capital of 132,000,000 Shares, assuming that the Service Agreements (as set out in the section entitled "Directors, Executive Officers and Employees – Service Agreements" of this Offer Document) had been in place since the beginning of FY2022 | 2.58 cents |
|--|------------|

PER

| | |
|---|------------|
| PER based on the Placement Price and unaudited <i>pro forma</i> EPS of our Group for FY2022 | 8.91 times |
|---|------------|

| | |
|---|------------|
| PER based on the Placement Price and unaudited <i>pro forma</i> EPS of our Group for FY2022, assuming that the Service Agreements had been in place since the beginning of FY2022 | 9.69 times |
|---|------------|

PLACEMENT STATISTICS

Net Cash Flows from Operating Activities

| | |
|---|------------|
| Net cash flows from operating activities per Share based on the unaudited <i>pro forma</i> consolidated statement of cash flows of our Group for FY2022 based on our Company's post-Placement share capital of 132,000,000 Shares | 2.36 cents |
|---|------------|

| | |
|---|------------|
| Net cash flows from operating activities per Share based on the unaudited <i>pro forma</i> consolidated statement of cash flows of our Group for FY2022 based on our Company's post-Placement share capital of 132,000,000 Shares, assuming that the Service Agreements had been in place since the beginning of FY2022 | 2.10 cents |
|---|------------|

Placement Price to Net Cash Flows from Operating Activities per Share

| | |
|---|-------------|
| Ratio of Placement Price to unaudited <i>pro forma</i> net cash flows from operating activities per Share of our Group for FY2022 based on our Company's post-Placement share capital of 132,000,000 Shares | 10.59 times |
|---|-------------|

| | |
|---|-------------|
| Ratio of Placement Price to unaudited <i>pro forma</i> net cash flows from operating activities per Share of our Group for FY2022 based on our Company's post-Placement share capital of 132,000,000 Shares, assuming that the Service Agreements had been in place since the beginning of FY2022 | 11.90 times |
|---|-------------|

Market Capitalisation

| | |
|---|-----------------|
| Market capitalisation based on the Placement Price and the post-Placement share capital of 132,000,000 Shares | S\$33.0 million |
|---|-----------------|

RISK FACTORS

We are exposed to a number of possible risks that may arise from economic, business, market, financial, political, social, technological and other factors and developments that may have an adverse impact on our future performance. The trading price and value of our Shares could fluctuate and decline due to any of these risks and investors may lose a part or all of their investments in our Shares. The following does not state risks unknown to us now but which could occur in future and risks which we currently believe to be immaterial, which could turn out to be material. Should such risks occur or turn out to be material, they may materially and adversely affect our business, prospects, financial condition and results of operations.

An investment in our Shares involves risks. Prospective investors should carefully evaluate the following considerations and all other information contained in this Offer Document before deciding to invest in our Shares. The following describes some of the significant risks known to us now that could directly or indirectly affect us and any investments in, or the value or trading prices of our Shares. There may be additional risks not presently known to us or that we currently believe to be immaterial, which could turn out to be material. Our business, prospects, financial condition and/or results of operations could be materially and adversely affected by any of these risks, should they occur or turn out to be material. The market price of our Shares could decline due to any of these risks, and investors may lose part or all of their investments in our Shares.

If any of the following considerations, uncertainties or material risks develops into actual events, our business, prospects, financial condition and results of operations could be materially and adversely affected. In such cases, the trading price of our Shares could fluctuate and decline due to any of these considerations, uncertainties or material risks, and investors may lose all or part of their investment in our Shares.

This Offer Document also contains forward-looking statements which involve risks and uncertainties. Our actual results of operations could differ materially from those anticipated in these forward-looking statements due to a variety of factors, including the risks described below and elsewhere in this Offer Document. Please refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY IN WHICH WE OPERATE

We operate in highly regulated industries and are subject to extensive legal, regulatory, licensing and accreditation requirements

Our business activities and products are highly regulated and we are subject to extensive legal, regulatory, licensing and accreditation requirements. Such laws and regulations include product registration and/or certification requirements, licensing requirements in respect of the import, wholesale and handling of regulated products such as therapeutic products and controlled drugs, as well as quality assurance and safety standards. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for a summary of the material laws and regulations which our Group is subject to.

Under such applicable laws and regulations, we are required to possess various licences, permits, certifications and/or accreditations to market and distribute our pharmaceutical products and medical supplies and devices. The third-parties, such as our suppliers and distributors, who we rely on to manufacture, sell and/or distribute our products, are also subject to similar regulatory requirements. If we or such third-parties fail to comply with the standards or requirements stipulated under such licences, permits, certifications and/or accreditations, we may be subject to regulatory action from the relevant government authorities or regulatory bodies, including disciplinary action, suspension or revocation of our licences, suspension or restriction of our

RISK FACTORS

business or the imposition of fines or other penalties. Further, if we or such third-parties are unable to obtain, maintain or renew such licences, permits, certifications and/or accreditations in a timely manner, or at all, we and/or such third-parties may not be able to manufacture, supply, distribute and/or market the affected pharmaceutical products or medical supplies and devices. Any of such circumstances could result in a material adverse effect on our business, prospects, financial condition and results of operations.

For example, our subsidiary, Pacific Biosciences, received a stern warning from the HSA on 27 December 2019 (the “**Warning Letter**”) for importing health products not in accordance with the conditions of its Therapeutic Products – Importer’s Licence, by importing for the re-export of therapeutic products to individual end-users for their personal consumption, in respect of 342 types of therapeutic products (the “**Breach**”). While the HSA had made an assessment that an offence under Section 13(1) read with Section 13(6)(a) of the Health Products Act 2007 of Singapore had been committed, a decision was taken not to prosecute Pacific Biosciences in court for the offence. It is noted that the Warning Letter (a) does not amount to a conviction for an offence or a finding of guilt by a court of law; (b) does not mean that Pacific Biosciences has a criminal record of the offence stated in the Warning Letter; (c) will not be raised by the prosecution as a criminal record against Pacific Biosciences in any future court matters for the purposes of enhancing a sentence; and (d) does not affect any of Pacific Biosciences’ legal rights, interests or liabilities. No penalty was imposed by the HSA on Pacific Biosciences and/or any of its directors, officers or employees in respect of the Breach and the operations of Pacific Biosciences and/or our Group was not suspended by the HSA. As at the Latest Practicable Date, there has been no material adverse impact on our business, prospects, financial condition and results of operations arising from the Breach and/or the Warning Letter. For more information, please refer to the section entitled “General Information – Information on Directors, Executive Officers and Controlling Shareholders” of this Offer Document.

In addition, given our operations in highly regulated industries, we and the third-parties who we rely on are subject to extensive regulatory oversight by regulators and other government agencies such as the HSA, and are required to undergo periodic audits, inspections and assessments. We and/or such third-parties are also required to undergo such inspections, inquiries or audits in order to maintain certain certifications and/or accreditations. Our Group is also required to comply with the *Guidance Notes on Good Distribution Practice* and the *Good Distribution Practice for Medical Devices* issued by the HSA, as described in further detail in the section entitled “General Information on our Group – Quality Assurance” of this Offer Document. As a result, we are required to incur substantial regulatory compliance-related costs and expenses. If an adverse outcome arises from any such inspection, examination, inquiry or audit, this could result in the suspension, loss or non-renewal of licences, permits, certifications and/or accreditations which are material to our business and/or the imposition of fines or penalties by the relevant regulatory or government agencies. We may also be required to recall the products or may incur additional costs to implement any remedies or corrective measures. There may also be adverse publicity for, or negative perceptions of us which may affect our business reputation, relationships with regulators as well as current and potential customers and divert our management’s attention away from our business operations, and our business, prospects, financial condition and results of operations may be adversely affected as a result. During the Period Under Review, none of the circumstances described above has occurred.

RISK FACTORS

There may also be changes in applicable laws, regulations or government policies which are introduced from time to time. Such changes could lead to increased costs of compliance and/or substantial changes to be implemented to our business operations in order to ensure compliance. If we are unable to pass on such costs to our customers, this may have a material adverse effect on our business, prospects, financial condition and results of operations. As at the Latest Practicable Date, we are not aware of any proposed changes to the laws, regulations and/or government policies applicable to our Group which will have a material adverse impact on our business, prospects, financial condition and results of operations.

We operate in a highly competitive industry and we face competition from other established market players

The pharmaceutical products and medical supplies and devices industry is highly fragmented and competitive, with many manufacturers, wholesalers and distributors competing both regionally and internationally. In particular, we face competition from large multi-national corporations who similarly conduct wholesale, manufacturing and distribution of pharmaceutical products and medical supplies and devices, whilst possessing substantially greater operational, financial, research and development or technical resources and/or stronger marketing or distribution capabilities than us. In addition, some of our customers and suppliers are also pharmaceutical and/or medical supplies and devices companies which also possess wholesale or distribution capabilities, thereby creating vertical competition between us and some of our customers.

Some of our competitors may, *inter alia*, have longer operating histories, better technical expertise, stronger distribution networks, larger clientele, larger teams of professional staff and/or stronger brand recognition and reputation than us. Some of our competitors may also be more aggressive in their pricing policies in order to capture or retain market share, or may have lower operating costs, overhead expenditure or procurement costs due to their larger scale of operations and stronger product development capabilities. In addition, the entry of new players will increase the competitive pressure faced by us. Furthermore, as the industry is constantly evolving, our current or future competitors may be better able to position themselves to compete more effectively as the industry develops.

We cannot assure you that we will be able to compete effectively in our existing markets or in new markets which we may enter into in the future. In particular, we cannot assure you that we will be able to continue to source products from our suppliers at favourable prices, maintain our relationships with existing suppliers and customers, maintain or expand our marketing and distribution network, or maintain or increase our existing market share or profit margin in the respective countries in which we operate. Increasing competition may lead to declining market share and commission rates, making it more difficult for us to retain and attract business partners and customers, or which may force us to increase irrational sales and marketing expenses. In respect of our proprietary products which we develop, our success depends largely on our ability to develop innovative and differentiated products to build consumer trust and confidence in our brands and to meet the changing needs and preferences of customers, and we cannot assure you that we will always be able to do so successfully. In the event that we are unable to maintain our competitiveness, our business, prospects, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

The industry in which we operate is characterised by rapid changes and advances in medical technologies or other developments, and our products could become non-competitive as a result

The pharmaceutical products and medical supplies and devices industry is characterised by rapid changes in technologies, new medical advancements, evolving industry standards and the constant emergence of new products and/or services. Such developments or advancements in technologies, industry standards or consumer requirements may render our existing products, services, equipment or processes obsolete or non-competitive and may affect the sales and financial performance of our Group as a result. The risks we face include but are not limited to:

- (a) not being able to anticipate and adapt to new technologies, trends and/or standards in the pharmaceutical products and medical supplies and devices sector;
- (b) our competitors developing more innovative and efficient solutions as compared to us; and
- (c) not being able to expand our suite of products and/or services offered quickly enough to keep up with demand.

Accordingly, our success depends on our ability to effectively innovate and adapt our products and service offerings to meet advancements in medical technologies, evolving industry standards and our customers' expectations and needs. If we are unable to adapt to such changes in market conditions by adapting our business strategies or modifying our products and services, we may lose our market share and our business, prospects, financial condition and results of operations may be materially and adversely affected as a result.

We are dependent on the continued employment and performance of key management personnel

Our success has been largely attributable to the contributions of our management team, including our founder, Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong. Our key management personnel are material to our business as they possess the knowledge, experience and expertise with respect to our industry, operations and business, and maintain the relationships with our major customers and suppliers. Therefore, they are key to the successful implementation of our business strategies. Our continued success and growth depend, in large part, on our ability to retain the services of such key management personnel. The goodwill and strong networks with our Group's major customers and suppliers that our experienced management team has developed over the past years are important to the further development of our business. The in-depth knowledge, relevant experience and commitment of our key executives have been and will continue to be instrumental to our development and growth.

We cannot assure you that we will be able to retain the services of our Executive Officers or key management personnel and, should we lose the services of any of them, we cannot assure you that we will be able to hire suitable or qualified replacements in a timely manner or at all, and may have to incur additional expenses as a result to recruit and train new personnel. The loss of any key personnel without qualified and timely replacements, and the inability to retain qualified key executives, will have an adverse impact on our operations. In addition, if any of our Executive Officers or key management personnel joins a competitor business or establishes a company carrying out competing business activities, we may lose our trade secrets, know-how, customers, key professionals and employees. Although our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong and certain other Executive Officers have non-compete provisions in their employment agreements and have also signed non-disclosure and confidentiality agreements with us, non-compete provisions have been interpreted restrictively by Singapore courts and there

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is no assurance that the Singapore courts would enforce such provisions in our favour or at all. Our business and operations may be severely disrupted as a result, which would in turn materially and adversely affect our business, prospects, financial condition and results of operations.

We may not be able to successfully attract, retain and motivate adequately skilled and qualified professionals

Our ability to maintain our success and support our future business expansion and growth depends on our ability to attract, retain and motivate skilled and qualified professionals, such as pharmacists, regulatory, technical, research and development, sales and marketing and financial professionals. For instance, our Company's Chief Pharmacist, Ms. Ho Huey-Yi, is responsible for the overall oversight of our pharmaceutical wholesale and drop-shipment business and is also the "Responsible Person" named in the Therapeutic Products – Wholesaler's Licences issued by the HSA to our subsidiaries, Pasture Pharma and Pacific Biosciences. The "Responsible Person" is required to be employed by the licensee and must be a registered pharmacist if the company deals in certain medicinal or therapeutic products.

In this regard, we may not be successful in attracting and retaining such skilled professionals who possess suitable qualifications and experience required. Due to the specialised nature of our industry, there is strong competition for such skilled and qualified personnel with the appropriate experience in our industry and we may not be able to attract, retain or recruit suitably qualified personnel in these roles, and our growth strategies and expansion plans may be hampered as a result. Conversely, paying higher salaries and/or providing more attractive remuneration packages in order to attract and incentivise such skilled professionals may also significantly increase our manpower costs, and there is no guarantee that we may be able to attract adequately skilled professionals. Notwithstanding such efforts, we may not always be able to compete effectively with our competitors in respect of such skilled and qualified professionals, which may include large multi-national companies which have substantially greater financial resources than us. This may in turn have a material and adverse effect on our business, prospects, financial condition and results of operations.

We are dependent on third-party manufacturers and suppliers and may be affected by any disruptions in supply

Our Group does not currently possess any manufacturing capabilities and we are reliant on third-party manufacturers to jointly develop and manufacture our proprietary products. For instance, our *Pasture Masks* are currently manufactured through five (5) mask manufacturing facilities across the region and we have entered into contract manufacturing agreements with some of our major suppliers such as Makrite Industries Inc. and SPRO Medical Products (Xiamen) Co., Ltd. in this regard. We have also entered into a contract manufacturing agreement with Shilpa Therapeutics Pvt Ltd for the manufacturing of our *Hart-S ODS*. For more details, please refer to the sections entitled "General Information on our Group – Our Business Segments – Mask and Medical Supplies – Development of our Pasture Masks" and "General Information on our Group – Our Business Segments – Other Services – Hart-S ODS" of this Offer Document.

Our Group may face disruptions in supply should our third-party manufacturers face unforeseen incidents such as power failures, mechanical failures, stoppages, interruptions or damage, or external factors such as natural disasters, acts of God, fire, flooding, severe weather, earthquakes, civil commotion, and other calamities or events beyond their control, which could cause damage to or a temporary shutdown of our third-party manufacturers' manufacturing facilities. This would result in longer lead-time for production and delayed delivery to our customers. Notwithstanding the measures and steps that we have taken to reduce reliance on any

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third-party manufacturing facility, there is no assurance that emergency crises would not cause disruptions in our supply. As a result of such disruptions, we may fail to meet our customers' expectations and make deliveries to our customers, which could in turn damage our reputation and/or expose us to legal claims and may, as a result, lead to loss of business and affect our ability to attract new business. In such events, our business, prospects, financial condition and results of operations may be adversely affected.

During the Period Under Review, our major suppliers in aggregate accounted for approximately 77.1%, 74.3%, 66.1% and 82.2% of our Group's costs for FY2020, FY2021, FY2022 and 1Q2023, respectively. Please refer to the section entitled "General Information on our Group – Major Suppliers" of this Offer Document for more information on our major suppliers. While we have generally maintained strong relationships with our major suppliers and manufacturers in the past and have also entered into contract manufacturing agreements with some of our key contract manufacturers, there is no assurance that such suppliers and manufacturers will continue their supply or manufacturing relationships with us or will maintain their prices at the current levels. Any disruption in supply or any unfavourable terms offered by our suppliers and manufacturers may result in us expending time and resources in finding suitable alternative suppliers or manufacturers, and we may not be able to do so in a timely and cost-efficient manner, or at all.

In addition, while the contract manufacturing agreements entered by our Group with our contract manufacturers provide that our contract manufacturers are responsible for stock control and ensuring that there are adequate quantities of stock available, there is no assurance that our suppliers and manufacturers will not experience disruptions to their stock availability. In such an event, our business, prospects, financial condition and results of operations may be materially and adversely affected. During the Period Under Review, save as disclosed in the risk factor entitled "*We may be adversely affected by COVID-19 or the spread of diseases or an outbreak of any contagious or virulent diseases and pandemics or epidemics*" below, there were no incidents whereby the inventories required by our Group were not delivered by our suppliers or contract manufacturers.

Further, the contract manufacturers that we work with in respect of our *Pasture Masks* have obtained clearances and/or certifications from regulatory authorities such as the FDA, NIOSH and other relevant local authorities in respect of their manufacturing facilities, which signal a prescribed level of quality in respect of our products which are manufactured at such facilities. Although we are not dependent on any one of our contract manufacturers and work closely with each of them to obtain and maintain their relevant certifications as they are subject to regular audits from relevant authorities such as the FDA and/or NIOSH, in the event that we are unable to continue our contract manufacturing relationships with any of our contract manufacturers for any reason or if any of our contract manufacturers ceases operations or terminates the production of our products for any reason, or our contract manufacturers fail to maintain their certifications from the relevant authorities, we may face significant difficulties in sourcing for alternative manufacturers which possess similar quality assurance capabilities in a timely manner or at competitive rates, or at all.

Save as disclosed in the risk factor entitled "*We may be adversely affected by COVID-19 or the spread of diseases or an outbreak of any contagious or virulent diseases and pandemics or epidemics*" below, none of the circumstances described above have occurred during the Period Under Review. However, we cannot assure you that none of the foregoing circumstances will occur in the future. Any of the above supply disruptions may result in a decline in quality standards, affect our price competitiveness and/or adversely affect our ability to meet our customers' demands or delivery schedules. This may result in a loss of customer confidence in us

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and they may look to our competitors for alternatives products and services instead, which would materially and adversely impact our business, prospects, financial condition and results of operations.

We may be adversely affected by COVID-19 or the spread of diseases or an outbreak of any contagious or virulent diseases and pandemics or epidemics

The outbreak of communicable or virulent diseases and pandemics or epidemics such as SARS (severe acute respiratory syndrome), H1N1 (swine) flu, avian flu (including the H5N1 and H7N9 strains), Ebola and most recently, the outbreak of a novel strain of coronavirus, COVID-19, may materially and adversely affect our supply from our suppliers and contract manufacturers and/or our operations. In addition, any such occurrence could result in sporadic or prolonged market and/or supply disruptions, an economic downturn or recession, volatilities in domestic and/or international financial markets and may materially and adversely affect the markets in which we operate or have a presence in. The occurrence or developments of any of these events may materially and adversely affect our Group's business, prospects, financial condition and results of operations.

In particular, the global outbreak of COVID-19, which began in late 2019, resulted in disruption of our supply chains. On 30 January 2020, the World Health Organisation declared the COVID-19 outbreak a public health emergency of international concern, and later on 11 March 2020, declared the COVID-19 outbreak a pandemic. In response to the COVID-19 outbreak, a number of governments around the world imposed nationwide restrictions to curb the spread of COVID-19, including lockdown and quarantine measures, and the closure of workplaces, shops and other public venues. During the Period Under Review, there were instances of interruptions and delays in the shipment and delivery of our products, which we relied on third-party logistics service providers to handle, arising from such COVID-19 restrictions. Whilst none of our customers had requested for compensation due to such interruptions and delays during the Period Under Review and as at the Latest Practicable Date, there is no assurance that such delays in shipment and delivery which are outside of our control will not require us to incur costs relating to compensation to our customers, which could materially and adversely affect our business, prospects, financial condition and results of operations.

In addition, the COVID-19 restrictions resulted in, *inter alia*, the temporary restrictions in respect of exporting products, insufficient raw materials and supply chain disruptions, which led to disruptions to the supply and production of *Pasture Masks*. In particular, our supply of *Pasture Masks* obtained from one of our contract manufacturer's mask manufacturing facilities in Taiwan was disrupted due to the temporary export ban on masks imposed by the Taiwan government in 2020, in response to the outbreak of the COVID-19 pandemic. As a result, we were unable to fulfil the orders placed by our customers for our *Pasture Masks* manufactured in Taiwan and were required to terminate an existing agreement with our customer which resulted in an unfulfilled order of *Pasture Masks* of approximately US\$0.2 million. Although there was no material adverse impact on our Group's business, prospects, financial condition and results of operations arising from such termination, including no compensation being payable by our Group to such customer, we cannot guarantee that this will always be the case. Further, while we have not previously encountered any disagreements or disputes with our suppliers or customers arising from such disruptions due to the COVID-19 pandemic or otherwise, in the event that such disagreements or disputes cannot be amicably resolved between our suppliers or customers and us, litigation claims may be filed against us and which may in turn materially and adversely affect our business, prospects, financial condition and results of operations.

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While the impact of the COVID-19 pandemic has resulted in increased demand for some of our products, in particular our *Pasture Masks*, and while we have not experienced any material disruptions to our supply chain as a result of measures taken by us to minimise the impact of the COVID-19 pandemic on our supply chain, such as obtaining our supplies from multiple suppliers and manufacturers located in various locations and increasing our inventory levels during this period, we cannot assure you that the risks from the COVID-19 pandemic including those described above or from any other communicable or infectious disease or public health issue will not have a material and adverse effect on us in the future.

If the current COVID-19 situation deteriorates, or restrictions persist over longer periods (even intermittently), our business, prospects, financial condition and results of operations may be materially and adversely affected as a result.

We have little to no control over the quality of products supplied to us and may be adversely affected by defects, lapses in quality or any counterfeits in respect of the products supplied to us

All of our proprietary products are manufactured through third-party contract manufacturers and all of our other products marketed and supplied by our Group are sourced from third-party suppliers or manufacturers. Our contract manufacturers are required to comply with the *Current Good Manufacturing Practice* standards which are applied under the PIC/S participating authorities and/or other applicable quality control standards in respect of the manufacturing processes for pharmaceutical products and medical supplies and devices. Although we have strict assessment criteria to ensure that the suppliers and contract manufacturers that we work with are reputable and possess the necessary qualifications and capabilities to provide high-quality products, and we also provide our suppliers and contract manufacturers with the product specifications we require, we have little to no control over their actual operations and production process. Furthermore, the products marketed and distributed by our Group are shipped and delivered directly from such third-party suppliers or contract manufacturers to our customers. As such, there is no assurance that the products marketed and distributed by our Group will meet the applicable quality standards and be free of defects.

We conduct evaluations and assessments of the quality of products supplied directly to us for our business of wholesale procurement, marketing and distribution of medical supplies and devices, such as by cross-checking the product type, batch number, expiry date and/or quantity, and conducting physical checks on products. In this regard, we have put in place strict measures to verify the quality of products and have obtained various international accreditations in respect of our quality control processes. In addition, in respect of our *Pasture Masks*, which have received clearances and/or certifications from regulatory bodies such as FDA, NIOSH and PIC/S, such products are also required to comply with certain specifications in respect of quality and safety. However, we cannot assure you that we will be able to detect all counterfeit products, product defects or failures to meet any required specifications due to lapses in the manufacturing process. If the products provided and/or manufactured by our suppliers or contract manufacturers are defective, counterfeits, of poor quality or are otherwise unsafe or ineffective, and we fail to detect any such counterfeits, quality defects or failures, we could be subject to customer complaints, product recalls, product returns or withdrawals, liability claims, increased costs such as legal expenses to defend against claims, negative publicity and damage to our reputation as a trusted and reliable provider of pharmaceutical products and medical supplies and devices. We may have to source for and procure suitable replacement suppliers or contract manufacturers as a result, and if we are unable to procure sufficient alternative suppliers or contract manufacturers in a timely manner or at competitive rates, this may cause increased costs, supply shortages or delays that could lower our profit margins and result in delays to our operations.

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Although we have not had any material defects, product recalls or product returns in the past, and we do not expect material returns of our products in the next 12 months, we cannot assure you that such incidents will not occur in the future. The occurrence of any of the foregoing could negatively affect our business, prospects, financial condition and results of operations.

We are susceptible to supply chain disruptions and failures

The continued success of our Group's business is dependent on us being able to tap on a consistent, timely and stable supply of pharmaceutical products and medical supplies and devices at competitive prices. From time to time, we may experience shortages or delays in such supplies, for various reasons beyond our control, such as adverse financial or other developments affecting the operations of our suppliers, unexpected shortages of raw materials, and quality and product failures. In the event of any shortage or delay in supply, we may experience a delay or inability to fulfil our customer orders. This may lead to a loss of customer confidence in our Group and such customers may elect to obtain such products or services from our competitors instead. Failure to meet the delivery schedules agreed with our customers may also affect our business reputation and subject us to penalties and/or result in claims being brought against us. In such circumstances, our business, prospects, financial condition and results of operations may be materially and adversely impacted. During the Period Under Review, save as described in the risk factor entitled "*We may be adversely affected by COVID-19 or the spread of diseases or an outbreak of any contagious or virulent diseases and pandemics or epidemics*", none of the circumstances described above have occurred which have had a material and adverse impact on our Group.

In addition, our supplies are subject to price volatility caused by external conditions, such as market supply and demand, commodity price fluctuations, currency fluctuations, increases in transportation costs, changes in governmental policies and natural disasters. Our ability to pass on increased costs to our customers may be limited by competitive pressures. There is no assurance that we will be able to raise the prices of our products and services sufficiently to cover increased costs of our supplies or overcome supply interruptions. If we are unable to pass on such price increases to our customers or we are unable to find alternative sources at competitive prices, our operational costs may increase, and our profitability may be adversely impacted. As a result, this may have a material and adverse effect on our business, prospects, financial condition and results of operations. During the Period Under Review, none of the circumstances described above have occurred.

Apart from disruptions in supply, we may also be susceptible to disruptions in the shipment and delivery of our products to customers. In this regard, we engage third-party contractors, such as freight forwarders, to deliver customer orders. In respect of our cold-chain management division, where we handle temperature-sensitive products which are required to be stored and transported under specific temperatures and conditions, we also rely on third-party logistics service providers for the transportation and shipment of such cold-chain products to our customers and/or our customers' clients. We have little to no control over the delivery and transportation services provided by such third-parties and we cannot guarantee that they will be able to deliver products to our customers and/or our customers' clients within the specified delivery schedules and in a proper manner. Interruptions or delays in delivery may also occur due to events outside our control or the control of our third-party contractors, such as inclement weather, natural disasters and transportation disruptions. In the event of any failure by such third-party contractors to meet our transportation specifications or delivery timelines, or any loss or damage to the product during the delivery process, we may suffer reputational damage and the loss of goodwill with our customers as a result, which may materially and adversely affect our business, prospects, financial condition and results of operations.

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Please also refer to the risk factor entitled “*We may be adversely affected by COVID-19 or the spread of diseases or an outbreak of any contagious or virulent diseases and pandemics or epidemics*”.

We may be unable to successfully develop, license and register our pharmaceutical products and medical supplies and devices

In respect of our *Pasture Masks* and/or other pharmaceutical products and medical supplies and devices designed or supplied by us, we and our contract manufacturers who we work with to develop such products are required to undergo research and development, product trials and clinical and laboratory testing before we can submit any application for regulatory approval and/or launch the products for commercial use. For example, an independent clinical study was conducted in Thailand by the Government Pharmaceutical Organisation of Thailand between November 2018 and December 2020 in respect of our *Hart-S ODS*, as part of the process of obtaining the product registration for our *Hart-S ODS* to be sold in Thailand.

Such product development processes, from the initial product conceptualisation to the marketing and sale of the final product, can be lengthy, costly and uncertain, and may take up to several years to complete. We have invested, and expect to continue to invest, time, capital, and other resources in understanding the needs of the market and developing new products and technologies to meet those needs. Our future product development efforts are subject to inherent risks of failure, and we cannot guarantee you that our current and future offerings will be effective, safe, competitive with the offerings of our competitors and/or satisfactory to or broadly accepted by the markets which we operate in. Further, the marketability of many of our products, including our *Pasture Masks*, are dependent on obtaining certain internationally acclaimed clearances and/or certifications from renowned regulatory authorities such as the FDA and NIOSH. We also cannot guarantee that our products will be able to meet the stringent regulatory standards and requirements, as such regulatory authorities may delay or reject our product applications for a variety of reasons, including but not limited to the following:

- (a) changes in regulatory processes and/or requirements of the relevant regulatory authorities;
- (b) the application is deemed to be incomplete;
- (c) the relevant regulatory authority may disagree with the design, scope or implementation of the clinical trials conducted in respect of our product;
- (d) we may fail to demonstrate to the satisfaction of the relevant regulatory authority that our product is safe and effective for its proposed use, or that its clinical and other benefits outweigh its safety risks;
- (e) the relevant regulatory authority may not approve of the manufacturing processes or facilities for our product, and we may need to incur additional costs to implement corrective measures or changes before the approval is granted; and
- (f) similar or competing products being approved in indications similar to those of our product may change the standards for registration of our product for its proposed indications.

Certain of our Group’s *Pasture Masks* have obtained FDA-clearances which do not require renewal applications, although the manufacturer will be subject to continued post-approval obligations and special controls established by the FDA, such as device tracking, periodic reporting and post-market surveillance. While we have, from time to time, experienced delays or

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rejections in respect of product registration for new products in certain jurisdictions in the past for the reasons set out above, such delays or rejections in respect of new products did not have a material adverse impact on our Group's operations and/or financial condition, given our existing range of FDA-cleared and/or NIOSH-certified *Pasture Masks*. Nevertheless, we cannot assure you that we will be able to obtain product registration or successfully renew existing product registrations in any jurisdiction in respect of any of our products in the future.

If we are unable to develop suitable products with the desired efficiencies and specifications to meet industry demands and customer expectations in a timely and cost-effective manner, or are unable to obtain the relevant approvals, certifications or licences in respect of such products, we may be unable to sell such products in a profitable manner, or at all. Even if the relevant approvals, certifications and/or licences are obtained, we are unable to guarantee that such products will be commercially viable. In such instances, our business, prospects, financial condition and results of operations may be materially and adversely affected as a result.

Furthermore, product development for certain products and technologies may be inherently challenging, costly and time-consuming, such as the product development for our *Pasture Masks*. The nature of development cycles may result in delays between the time we incur expenses and the time we make available new offerings and generate revenue, if any, from those inventions. Anticipated customer demand for a product we are developing could also decrease after the development cycle has commenced, and we would not be able to recoup the substantial costs we incurred. In addition, we cannot assure you that we will be able to identify, design, develop, implement, and utilise, in a timely and cost-effective manner, technologies necessary for us to compete effectively, that such technologies will be commercially successful, or that products and services developed by others will not render our offerings non-competitive or obsolete. If we do not achieve the desired outcome from our technological investments, our business, prospects, financial condition and results of operations may be materially and adversely affected.

During the Period Under Review, there have been no rejections for the registration or renewal of registration of our Group's products in any jurisdiction which resulted in a material and adverse impact on our Group's operations and financials. During the Period Under Review, there were no product development costs written off.

We rely on third-party distribution channels for the distribution of our pharmaceutical products and medical supplies and devices in jurisdictions other than Singapore

In relation to our wholesale and distribution of pharmaceutical products and medical supplies and devices in jurisdictions outside of Singapore, we rely on local distributors to distribute our products in those jurisdictions. In this regard, we enter into distributorship agreements with local distributors such as those in Malaysia, Indonesia and Thailand, which are usually for an initial term of three (3) years with the ability for parties to renew the contract.

We have no long-term agreements with our local distributors and cannot guarantee that they will continue to maintain their distributorship arrangements with us on the commercial terms which are favourable to us, or at all. For instance, in May 2020, we had mutually agreed with one of our local distributors of our *Pasture Masks* in Indonesia to terminate the distributorship arrangement, as such local distributor was unable to obtain the necessary product approval to distribute the relevant product due to their unfamiliarity with the approval processes with the relevant authority. While our Group's business operations were not materially and adversely affected as we subsequently appointed another distributor who managed to obtain the relevant product approvals for distribution in Indonesia, we cannot guarantee that this will always be the case. Further, the volume of products sold to such local distributors may vary from time to time due to factors beyond

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our control, such as demand for such products, changes in local laws, regulations or policies, change in business strategy or deterioration of outlook or financial position of such distributors. While we have not, in the past, experienced severe business disruptions due to changes in the local laws, regulations or policies of our distributors, any such changes in local laws, regulations or policies in the future may result in the number of orders substantially reduced. If we are unable to maintain our existing relationships with such local distributors or if the number of orders by such local distributors is substantially reduced, our revenue generated from such markets will be adversely impacted as a result, which would negatively affect our business, prospects, financial condition and results of operations.

In addition, in certain jurisdictions such as Malaysia, Indonesia and Thailand, the local licences, permits, registrations and/or approvals required to market and distribute our products are held by our local distributors in those jurisdictions. Accordingly, we are reliant on our local distributors to obtain and maintain such licences, permits, registrations and approvals. Such licences, permits, registrations and approvals are typically subject to certain conditions imposed by regulators. We have no control over the operations of our local distributors and cannot assure you that they will obtain or renew the relevant licences, permits, registrations and/or approvals in a timely manner, or at all, nor can we assure you of their compliance with the conditions to which the relevant licences, permits, registrations and/or approvals may be subject. If our local distributors fail to comply with any of such conditions, our local distributors may be subject to regulatory action from the relevant government authorities, including the disciplinary action, suspension, revocation or non-renewal of the licences, permits or registrations, the imposition of fines or other penalties, and our business operations in that jurisdiction may be materially and adversely impacted as a result. In the event of any non-compliance, our Group would be able to terminate the relevant distributorship agreement with such local distributor given that the distributorship agreements entered into by our Group are non-exclusive in nature, and we may be required to source for alternative local distributors instead. Although we and our local distributors have not experienced such events in the past, any of these outcomes may cause our business operations in the relevant jurisdiction to be disrupted and/or incur additional costs, which could result in a material adverse effect on our business, prospects, financial condition and results of operations.

As part of our growth strategy and future plans, we intend to expand into new geographical markets such as, amongst others, India, Indonesia and the Middle East, which is described in greater detail in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document. In this regard, we are looking to establish new partnerships with local distributors to set up distribution channels in these jurisdictions. Our ability to carry out our expansion plans successfully will largely depend on our ability to secure such new distribution channels and maintain our relationships with such local distributors moving forward, and we cannot guarantee that we will be successful in doing so. In the event we are unable to establish and/or maintain our distribution channels, our expansion plans may be delayed or hindered and as a result, our business, prospects, financial condition and results of operations may be materially and adversely affected.

During the Period Under Review, none of the circumstances described above have occurred.

We may be adversely affected by breaches of local laws and regulations by our local distributors

We do not have control over the conduct and operations of our local distributors and are reliant on them maintaining proper conduct and compliance with local laws and regulations. For example, our local distributors are required to comply with local laws and regulations on anti-corruption in their respective jurisdictions, which may include prohibitions against the provision of kickbacks,

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bribes or other illegal gains or benefits to healthcare institutions or professionals in connection with the supply of pharmaceutical products and/or medical supplies and devices. While we have not experienced such instances of legal or regulatory breaches by our local distributors in the past, there can be no assurance that this will not occur in the future. If our local distributors engage in corrupt or improper practices or otherwise violate anti-corruption or other relevant laws in the jurisdictions in which we operate, our reputation in those markets could be severely harmed as a result. In addition, our distributors may be exposed to regulatory investigations, regulatory action or penalties such as the imposition of fines or the suspension of any licences, permits or registrations. While the distributorship agreements entered into by our Group are non-exclusive in nature, such that our Group would be able to cease its business relations with such distributors and enter into new distributorship arrangements with other local distributors instead, this may require additional costs being incurred (such as costs relating to sourcing for alternative local distributors), disruption to our revenue streams in those jurisdictions and reputational damage and loss of goodwill, any of which would materially and adversely affect our business, prospects, financial condition and results of operations.

We generally do not enter into long-term agreements with our customers and are exposed to the risk of decrease in orders, delays, claims, rejections or cancellations of orders

We do not typically enter into any long-term contracts with our major customers, and such major customers typically submit purchase orders to us as and when required. Accordingly, there is no assurance that we will continue to retain these major customers or that they will maintain or increase their current level of business with our Group. During the Period Under Review, our major customers in aggregate accounted for approximately 72.0%, 77.7%, 80.1% and 82.3% of our Group's revenue for FY2020, FY2021, FY2022 and 1Q2023 respectively. Please refer to the section entitled "General Information on our Group – Major Customers" of this Offer Document for more information on our major customers. These major customers are primarily from (a) our wholesale and drop-shipment segment, where the sales to such customers are susceptible to and dependent on the demand from their customers; and (b) our mask and medical supplies segment, where such customers in turn supply to hospitals, clinics, government agencies and/or the general public. Accordingly, the sales of our Group would also be affected by demand from the customers and/or users of pharmaceutical products and medical supplies and devices of our major customers. If our sales to any of these major customers are reduced significantly and we are unable to increase sales to our other existing or new customers, our business and financial performance may be adversely affected. For instance, sales in respect of our *Pasture Masks* decreased substantially after FY2022, following the stabilisation of the COVID-19 pandemic which resulted in a corresponding decrease in revenue for our Group's mask and medical supplies segment and may also contribute to a decline in our Group's financial performance and profitability for FY2023. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document for more information. In the event there is a material delay, rejection and/or cessation of orders and/or claims for whatever reason by any of our major or other customers and we are unable to replace and/or obtain substitute orders of a comparable size, our business, prospects, financial condition and results of operations may be materially and adversely affected.

In particular, a significant portion of our revenue during the Period Under Review was derived from our customers in Japan, which comprised 4.9%, 36.6%, 42.1% and 75.5% of our Group's revenue for FY2020, FY2021, FY2022 and 1Q2023, respectively. As there are regulatory restrictions in Japan on importing unregistered pharmaceutical products into Japan by Japanese-incorporated entities, certain of our Japanese customers engage our Group to supply such unregistered pharmaceutical products directly to their clients, who comprise doctors and other medical practitioners situated in Japan. In the event of any changes in the local laws and regulations of

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Japan such that the local wholesalers or suppliers are no longer restricted from directly importing these unregistered pharmaceutical products, such customers may reduce or cease to place orders through our Group for such products, and our business, prospects, financial condition and results of operations may be materially and adversely affected as a result.

As at the Latest Practicable Date, we have not experienced any material loss of any major customers, with whom we have established good working relations with since the establishment of our pharmaceutical wholesale and drop-shipment business segment in 2014. Please refer to the section entitled “General Information on our Group – Major Customers” of this Offer Document for further details.

We may be affected by the prospects and performance of our customers’ industries

Our customers mainly comprise distributors, government agencies and institutional customers, such as hospitals, pharmacies, clinics and other healthcare institutions. Our business is dependent on our customers’ and end-users’ demand for the products and services we provide. Please also refer to the risk factor entitled “*We generally do not enter into long-term agreements with our customers and are exposed to the risk of decrease in orders, delays, claims, rejections or cancellations of orders*”.

We are therefore dependent on the growth and outlook in respect of these industries and are indirectly exposed to the uncertainties and business fluctuations of these sectors. The overall outlook of our customers’ industries and their market activities may vary due to factors beyond our control, such as changes in government policies, regulatory environment or economic conditions, changes in business strategies or financial outlook of such customers. For instance, any general legislative reform in the healthcare industry in the jurisdictions in which we have a presence, or any measures implemented by healthcare institutions to manage costs could have an adverse impact on the demand for our products and services and affect our overall profit margins. Changes in healthcare systems or legislative policies in these markets could also have a significant impact on the manner in which we conduct our business and could require us to revise our business model and strategies. The demand for healthcare services and products can also be adversely affected by macroeconomic factors or economic downturns.

Any decline in the level of activity or growth rate in these sectors may reduce the demand for our products and services. In such an event and if we are unable to adapt our business model and strategies to compete effectively, our business, prospects, financial condition and results of operations may be materially and adversely affected.

We may not be successful in expanding and strengthening our product portfolio and service offerings and/or in commercialising our products

A key aspect of our business strategy is in developing new proprietary pharmaceutical products and medical supplies and devices, as well as introducing new service offerings within the pharmaceutical products and medical supplies and devices industry. For example, our *Hart-S ODS* is in the midst of obtaining approval in Thailand and Malaysia and we intend to continue developing other proprietary pharmaceutical products which are suitable to be sold and administered in ODS form, as described in further detail in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document. We also expanded the products within our pharmaceutical wholesale and drop-shipment business segment to include pet pharmaceutical products and health supplements in 2018, after identifying an increase in pet ownership in recent years and a growing demand for products and services to

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cater to pet health. We intend to continue to expand our existing product portfolio and/or introduce new and complementary service offerings as and when we identify suitable opportunities for expansion.

Our Group may be required to invest financial resources, as well as significant time and manpower into developing such new products, services and/or businesses without guarantee that these products, services and/or businesses will be successful. For example, a novel mask product that we may develop in the future for our proprietary brand of *Pasture Masks* that has high potential during the preliminary development stages may ultimately fail to reach the market for a number of reasons such as the following:

- (a) failure to meet the required product stability, safety or other standards during the research and development process;
- (b) failure to obtain approvals for the intended use from the relevant regulatory authorities;
- (c) inability to economically manufacture and commercialise sufficient quantities of the products; and
- (d) inability to obtain proprietary rights to our product candidate or to license such rights at commercially reasonable terms, or at all.

While our Group has managed to successfully launch new products in the past, such as our *Pasture PM 30 N95 Respirator*, we cannot guarantee that our new proprietary products will be commercially successful or that we will be able to successfully expand and grow our business in the future, and our actual results may vary significantly from what we desire or predict. Our ability to successfully expand and develop our product portfolio and service offerings depends on a wide variety of factors, such as the ability to obtain the requisite regulatory approval, consumer demand for our products, level of competition, market sentiment and trends, our pricing and sales and marketing strategies and/or the effectiveness of our distribution channels. Further, if our products are approved for the intended use by regulatory authorities but do not achieve an adequate level of acceptance by our customers and/or end-users, we may not be able to generate sufficient revenue from these products, and we may not become or remain profitable. Accordingly, there is no assurance that we will be able to successfully commercialise any of our new products and/or expand and develop our product portfolio in accordance with our growth strategies.

In addition, our lack of experience in such new products or service offerings may affect our ability to successfully compete with established market players in any of these products or service sectors. This may also disrupt our ongoing businesses, by diverting time and attention from our management and employees from our existing products and service offerings and increase our costs, whether by way of additional compliance costs or otherwise. We may also face challenges in achieving the anticipated synergies and growth opportunities. Additionally, our new products or services may fail to attract customers, which may adversely affect our market reputation and reduce customer confidence in our overall services and capabilities. Any of these events could result in a material and adverse effect on our business, prospects, financial condition and results of operations.

There is no assurance that our growth strategies will be successful

As described in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document, our growth strategies include (a) strengthening our existing business segments and diversification into new geographical market segments; and

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(b) collaborations with strategic business partners and entry into acquisitions, joint ventures and/or strategic partnerships. These growth strategies and expansion plans are subject to factors beyond our control such as government legislation, general economic conditions and global demand for our products and/or services.

As the conditions of any new markets may vary significantly from where we currently operate, expansion into new geographical areas involves new risks and challenges. As we expand our business to new regions, we may encounter regulatory, personnel, technological and other difficulties that may increase our expenses or delay our ability to start our operations or expand our regional presence. Our lack of familiarity with these new markets may make it more difficult for us to keep pace with the evolving market conditions. We may also face difficulties in attracting customers, particularly where there are already established market players with long-standing reputation and brand recognition. There is also a risk that any new markets may not accept, or be as receptive to, our products and services as compared to our existing markets, if for example, the customers and/or end-users in such new markets wait to see additional data or if it becomes necessary to conduct studies corroborating the role of our products and/or services. In such events, our business, prospects, financial condition and results of operations may be materially and adversely affected.

While we have formulated our expansion plans based on the outlook and business prospects of a new jurisdiction or sector, there is no assurance that such expansion plans will be commercially successful or that the actual outcome of those expansion plans will match our expectations. The success and viability of our expansion plans are dependent upon, *inter alia*, the dynamics of the pharmaceutical products and medical supplies and devices industry, the availability of management, financial, operational and other resources in the countries in which we seek to expand our operations, our ability to implement strategic marketing plans effectively, our ability to generate demand from new customers for our products, and our ability to hire and retain skilled management to carry out our future plans. We may also incur additional costs and expenses which we may not have initially budgeted.

Further, the implementation of our future plans also requires substantial capital expenditure, the incurrence of working capital requirements and additional financial resources and commitment. In the event that we are not able to achieve a sufficient level of revenue or manage our costs effectively or the commencement of these planned expansions are delayed or unsuccessful, our business, prospects, financial condition and results of operations may be adversely affected as a result.

We may be subject to product recalls or claims relating to product liability, personal injury or wrongful death in connection with our products that we supply or our proprietary products

Although the pharmaceutical industry, which includes us and the pharmaceutical manufacturers, places a strict emphasis on maintaining product quality, and we have obtained various international accreditations in respect of our quality control processes, these may not be sufficient to avoid product defects or failures from time to time, and as a result, we may be subject to product liability, personal injury or wrongful death claims or product recalls if the products we develop, market, wholesale and/or distribute are deemed or proven to be unsafe, defective or if they are insufficiently or improperly labelled. This could cause us to experience increased costs such as costs associated with after-sales maintenance and legal expenses to defend against claims, delays, cancellations or rescheduling of orders for our products, increased product returns or

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discounts and loss in net revenue and damage to reputation. The occurrence of any of the foregoing could negatively affect our business, prospects, financial condition and results of operations.

In addition, our sales and product representatives or distributors may provide inaccurate or incomplete information about our products, whether negligently or otherwise, in marketing and selling our products. This may result in incorrect purchase or use of our products, and may lead to our products being less effective or cause adverse effects that could otherwise have been avoided. Our business reputation and the sales of our products could consequently be adversely affected, and we could be exposed to product liability lawsuits or regulatory investigations, actions or penalties and we may face additional costs and liabilities as a result.

While there have not been any material defects or product recalls in the past and we are not aware of any product liability claims against us that would have a material adverse impact on our business, any product liability claims brought against us or product recalls, regardless of whether the claims are with merit, could strain our financial resources and divert the time and attention of our management. In respect of certain claims relating to the quality or mislabelling of products, while we may seek to claim any costs or liabilities borne by us from our third-party manufacturers or suppliers, such reimbursements from our manufacturers or suppliers may or may not be forthcoming. While we have purchased public liability insurance, we cannot assure you that all liabilities and/or losses arising from product liability claims and product recalls can be fully covered by insurance. If any product liability claims against us were to prevail, we may incur substantial monetary liabilities. Further, we may be subject to criminal liabilities and the suspension or revocation of our licences, permits and approvals which we require for our business operations. In addition, we may be required to recall the relevant products and/or suspend sales of the relevant products.

If any of the foregoing occurs, consumer confidence and the market demand for our products may decline, and our business, prospects, financial condition and results of operations may be materially and adversely affected as a result. During the Period Under Review, none of the circumstances described above have occurred.

The products that we supply may be subject to counterfeiting or imitation, which could have an impact on our reputation, leading to the loss of consumer confidence, reduced sales and/or higher administrative costs

We are exposed to the threat of counterfeit or imitation products in relation to the products that we supply. Although we are vigilant in policing the abuse of our proprietary brands, trademarks and trade names and checking the authenticity of the products supplied to us by the suppliers which we work with and whom we purchase our pharmaceutical products from, we may not be able to detect and prevent the sale of all counterfeit or imitation products. Should such counterfeit or imitation products be of inferior quality, are unsafe or ineffective and/or cause harm to consumers, the goodwill generated by our brand and those of the brand we work with may be eroded, resulting in negative publicity, reputational damage and lead to loss of consumer confidence in our portfolio brands. In addition, counterfeit and imitation products could result in a reduction of our market share, causing a long-term or even permanent decline in our sales and profitability as well as increasing our administrative costs in respect of detection and prosecution. Accordingly, our business, prospects, financial condition and results of operations could be materially and adversely affected.

During the Period Under Review, none of the circumstances described above have occurred which have had a material and adverse impact on our Group.

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Any failure to maintain, protect, and enhance our goodwill and brand could impede our ability to grow our business, particularly in markets where we have limited brand recognition

All of the proprietary products which we develop are marketed under our brand names such as *Pasture Masks* and *Hart-S ODS* as well as our trade names such as “Pasture” or “Pacific Biosciences”. As such, the markets for our proprietary products depend, to a large extent, on the goodwill associated with our trademarks and trade names. As a result, maintaining, protecting, and enhancing our brand is crucial for our success as market perception and acceptance of a brand is a determining factor for customers in making their purchasing decisions, particularly in jurisdictions where our reputation and brand recognition is limited and/or we are required to compete with well-established market players with longer operating histories, greater brand recognition and an established customer base. Our success in protecting our goodwill and promoting our brand image depends on a number of factors, including:

- (a) the success of our advertising and other marketing activities;
- (b) our ability to ensure the quality and reliability of our products and/or services and to provide effective, differentiated products and/or services to our customers; and
- (c) our ability to protect our brand from infringement of our intellectual property rights.

We may be required to make substantial investments in marketing and advertising, in order to protect our goodwill and enhance and promote our brand value. In addition, despite these investments, our brand could be damaged from other events beyond our control, such as litigation claims or customer complaints, whether unfounded or not. If our efforts to build and promote our brand image are not effective for any reason or if any of such events occur, our reputation and the market recognition of our products and services may deteriorate and as a result, we may not be able to compete effectively and expand our business. This would materially and adversely impact our business, prospects, financial condition and results of operations.

During the Period Under Review, none of the circumstances described above have occurred.

Our commercial success depends on our ability to adequately protect our intellectual property rights and other proprietary rights

Our success and ability to compete depends in part on our ability to protect our intellectual property and other proprietary rights. As at the Latest Practicable Date, we have 35 registered trademarks in Singapore and we have filed applications for the registration of nine (9) trademarks in Singapore. Please refer to the section entitled “General Information on our Group – Intellectual Property Rights” of this Offer Document for more information in relation to our intellectual property rights.

While the applications and documents submitted by us have not been withdrawn, rejected or adversely affected by any notice and/or objection by any relevant authority or third-parties, there is no assurance that these trademarks will be successfully registered or will not be withdrawn. There is also no guarantee that the existing intellectual property rights registered by our Group will be successfully maintained or renewed. In addition, until such intellectual property has been registered, there remains the risk that third-parties may use similar or identical intellectual property but we will not be able to bring any lawsuits or take any action against such third-parties. Any use of intellectual property by third-parties which are similar or identical to ours may also

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result in imitation of our products, which may adversely affect our business, prospects, financial condition and results of operations.

We seek to protect our proprietary technology and intellectual property primarily through a combination of intellectual property laws as well as confidentiality procedures and contractual restrictions. Our employees are subject to confidentiality obligations under the terms of their respective employment contracts and certain of our Executive Officers have also signed non-disclosure and confidentiality agreements with us, and further, we also require external consultants with access to our proprietary information to enter into non-disclosure agreements. However, there can be no assurance that these measures are effective, or that infringement of our intellectual property rights by other parties does not exist now or will not occur in the future. In addition, our intellectual property rights may not be adequately protected because:

- (a) other parties may still misappropriate, copy or reverse engineer our technology despite our internal governance processes or the existence of laws or contracts prohibiting it; and
- (b) policing unauthorised use of our intellectual property may be difficult, expensive and time consuming, and we may be unable to determine the extent of any unauthorised use.

In addition, our trade secrets and proprietary information may also otherwise become known or be independently discovered by our competitors and we may not be able to prevent our competitors from using such information to compete against us.

To protect our intellectual property rights and maintain our competitiveness, we may file lawsuits against parties who we believe are infringing upon our intellectual property rights. Such proceedings may be costly, time-consuming and may divert management attention and other resources away from our business. In certain situations, we may have to bring lawsuits in foreign jurisdictions, in which case we are subject to additional risks as to the result of the proceedings and the amount of damages that we can recover. Any of our intellectual property rights may also be challenged by others or invalidated through administrative processes or litigations. We can provide no assurance that we will prevail in such litigations, and, even if we do prevail, we may not obtain a meaningful relief. Any inability to adequately protect our proprietary rights may have a material negative impact on our ability to compete, to generate revenue and to grow our business. Under such circumstances, our business, prospects, financial condition and results of operations would be materially and adversely affected.

During the Period Under Review, none of the circumstances described above have occurred.

We may be required to cease certain activities or incur substantial costs as a result of any claim of infringement of another party's intellectual property rights

Our success depends largely on our ability to use and develop our technology and know-how without infringing the intellectual property rights of third-parties. In addition, we may also work with our partners and/or contract manufacturers using intellectual property rights that they have developed or own. There can be no assurance that we and/or our partners will not be subject to claims of infringement upon the intellectual property rights of third-parties, including from our competitors.

We may also, from time to time, employ persons who were previously employed at other companies in the same industry, including our competitors or potential competitors. We may be subject to claims from their former employers that such persons, or we, have infringed on or

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disclosed trade secrets or other proprietary information of such former employers. As a result, we may be required to engage in litigation or other proceedings to defend against such claims.

Defending such claims can be costly, long-drawn and may significantly divert the efforts and resources of our key management personnel. The results of such disputes or litigation are also difficult to predict. An adverse determination in any such litigation or proceedings to which we are a party may subject us to significant liability to third-parties, require us to seek licenses from third-parties, pay ongoing royalties, cease offering or using technologies that incorporate the challenged intellectual property, redesign our products and/or services to avoid infringement or subject us to injunctions prohibiting the offering of such products and/or services.

If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement claims against us, such payments or costs could have an adverse effect on our business and financial results. Protracted litigation may also result in our customers or potential customers deferring or limiting their use of our products and services until the resolution of such litigation. Even if we were to prevail, such claims and proceedings could harm our reputation and brand name. As a result, our business, prospects, financial condition and results of operations may be materially and adversely affected.

During the Period Under Review, none of the circumstances described above have occurred.

We may face risks arising from joint ventures, non-wholly owned investments, strategic alliances or acquisitions

As part of our growth strategy, we intend to expand our business capabilities by entering into joint ventures, investments, strategic alliances and partnerships which are complementary and synergistic to our existing businesses, which may not be wholly-owned or controlled by us.

Disagreements may occur between us and our partners from time to time, which may not be resolved amicably. Such partnerships may also involve risks associated with the possibility that our business partners (a) may have economic or business interests or goals that are inconsistent with ours; (b) may take actions contrary to our instructions or requests or contrary to our policies and objectives; (c) may be unable or unwilling to fulfil their obligations under the partnership or shareholders' agreement; (d) may experience financial difficulties; or (e) may disagree with us as to the scope of their responsibilities and obligations. In particular, where we take a minority stake in any investment as a passive investor, we will not be involved in and will have minimal to no control over the day-to-day operations and management of such investment.

To the extent that the interests of our business partners are not aligned with ours, this may affect the joint venture, or impair the business relationship in respect of any such strategic alliances, which would in turn materially and adversely affect our business, prospects, financial condition and results of operations. We have also, in the past, entered into certain business partnerships without any formal partnership agreement in place between our Group and such business partners as our Group had established strong and long-standing business relationships with these third-parties and where both parties had derived mutual benefits from such partnerships. Such partnerships mainly refer to our Group's working arrangements with its contract manufacturers and distributors in the past, where instead of having a contract manufacturing agreement or distributorship agreement, we would place orders with our contract manufacturers, or supply orders to our distributors (as the case may be) based on purchase orders as and when required. Such purchase orders would be raised only after salient commercial terms including but not limited to, quantity, price, deposits, the requirement for pre-payment and credit terms, which may vary depending on, *inter alia*, the size of the order, have been agreed to between our Group and

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the relevant contract manufacturer or distributor. During the Period Under Review and as at the Latest Practicable Date, (a) in relation to our working arrangements with our distributors, payments from distributors are usually collected upfront before any shipments of orders are arranged to minimise any cashflow issues; and (b) in relation to our working arrangements with our contract manufacturers, our Group typically only places orders with our contract manufacturers after we have received a corresponding order from our customers, and we also require pre-payment from most of our customers to minimise the risk of any non-fulfilment of payment by our Group to our contract manufacturers. While our Group has sought to formalise our business partnerships, such as by entering into contract manufacturing agreements and distributorship agreements with our contract manufacturers and local distributors, respectively, we cannot guarantee that we will be able to continue doing so for all future business partnerships and may have to rely on one-off purchase orders to govern such business relationships instead. In such instances, we may not be able to enforce certain rights in the event of any breach by or disagreement with such partner, or in the event the joint ventures, investments, strategic alliances and partnerships are terminated. In particular, in such circumstances, the intellectual property rights in respect of the relevant product(s) may not be enforceable by us, although we seek to ensure our intellectual property rights are safeguarded by ensuring the registration of our masks with the relevant regulatory authorities (such as the FDA) are made under our *Pasture Masks* brand.

While, as at the Latest Practicable Date, we have not had any material disagreements or experienced significant problems with respect to our partnerships to date which has resulted in a material adverse impact on our business, prospects, financial condition or results of operations, there can be no assurance that such disagreements or problems will not occur in the future. Any of such disagreements or disputes may harm our reputation or impede our ability to grow our business in the relevant jurisdiction or business segment, which may in turn adversely affect our business, prospects, financial condition and results of operations.

In addition, we may also seek to expand our operations and/or diversify our revenue streams through acquisitions. Any such acquisitions entail risks and uncertainties resulting from, among other things, failure to effectively integrate employees, processes, operating functions, technologies and products, standardise information systems, identify and eliminate redundant and underperforming operations and assets and conform to standards, controls, procedures and accounting and other policies. There is also a risk that not all material risks in connection with any acquisition will be identified in the due diligence process, which could result in potential impairment or write-offs from such acquisitions. If we are unsuccessful in the implementation and execution of our expansion plans, we may lose all or part of our investment, which may in turn adversely affect our business, prospects, financial condition and results of operations.

Any failure to successfully address any of the aforementioned risks and uncertainties may impede on our ability to carry out our expansion and growth plans and/or realise all or any of the anticipated benefits of such expansion, which may have a material and adverse impact on our business, prospects, financial condition and results of operations.

Our office and warehouse premises are subject to lease renewals and relocation risks

As at the date of this Offer Document, we have entered into lease agreements in respect of three (3) premises used for office and/or warehousing purposes for our business and operations. Please refer to the section entitled “General Information on our Group – Material Properties and Fixed Assets” of this Offer Document for further details of the leases.

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We are required to engage in renewal negotiations with the lessors for our leases prior to expiry of such leases. During the renewal negotiation process, the lessor may revise the terms and conditions of the lease and we may face the possibility of an increase in rent, or we may not be able to renew the relevant lease on terms and conditions acceptable to us or at all.

While as at the date of this Offer Document, we do not foresee any difficulties in renewing our existing leases, there is no assurance that the leases of such premises will be renewed or will not be terminated by the respective lessors. Further, we are required to obtain certain approvals which are tied to the premises which we operate out of, such as approvals from the HSA for our operations out of our premises, as described in further detail in the section entitled “General Information on our Group – Material Properties and Fixed Assets” of this Offer Document. In the event that our leases are not renewed or are terminated, we will be required to relocate our business operations and assets to other suitable replacement facilities, which may cause disruptions to our normal business operations. We will also have to incur additional costs and expenses relating to reinstating the relevant premises prior to handing over and other relocation costs, including the costs for obtaining the relevant regulatory approvals (such as from the HSA) in respect of the new premises.

There is no certainty that we will be able to renew our existing leases or find suitable replacement premises or lease new premises on terms favourable to us, or at all. Higher costs (including any increased rental rates) may adversely affect our profitability if we are unable to pass on such increased costs to our customers. If any of the foregoing instances were to occur, our business, prospects, financial condition and results of operations may be materially and adversely affected.

We may not be able to obtain additional funding required for future growth on terms favourable to us, or at all

Although we have identified our future growth plans set out in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document as viable avenues to pursue growth in our business, the net proceeds from the Placement may not be sufficient to fully cover the estimated costs of implementing all these plans. There may also be additional opportunities to grow and expand our business in the future, which cannot be predicted at this juncture. We may require additional capital for such growth opportunities and expansion plans, or for our general business operations and working capital.

Under such circumstances, we may be required to raise funds through new equity or debt issuances after the Placement, or by obtaining credit facilities from financial institutions. Additional debt financing may not be readily available to us as and when required or on terms favourable to us. Our ability to arrange for external financing and the cost of such financing are dependent on various factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence and any financing restrictions that may be imposed on us. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, any future fundraising exercises and other financial and operational matters. Furthermore, there is no guarantee that we would be able to secure consents to incur any further indebtedness in such event.

Failure to obtain additional financing when required, or on commercially acceptable terms, could mean that we would not have adequate funds to fund our operations or acquisitions, withstand unfavourable changes in business conditions in the countries in which we operate or to service our financing obligations. Failure to service our indebtedness, maintain any required security interests or otherwise perform our obligations under our financing agreements could lead to a termination of one or more of our credit facilities or trigger cross-default provisions, penalties or acceleration

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of amounts due under such facilities. In any of these events, our business, prospects, financial condition and results of operations could be materially and adversely affected.

We may be subject to litigation or other disputes and may be adversely affected by negative publicity arising from such claims or disputes from our customers or other external parties

In the ordinary course of business, we may be subject to disputes with various parties, including our customers, suppliers and distributors from time to time, such as in relation to the performance of our products and services, contractual interpretation, product liability and infringement of intellectual property rights. Such disputes may lead to litigation or other proceedings against us, which we cannot guarantee we will be able to successfully defend. Defending such litigation or proceedings may be both costly and time consuming and may significantly divert the attention and resources of management and may result in disruptions to our day-to-day operations.

If any judgement is made against us, we may be required to pay any damages or other remedies and/or if the legal costs incurred in connection with the legal action are substantial, we may be required to incur significant costs and expenses. In addition, regardless of the outcome, any such disputes, litigation or proceedings could result in adverse publicity towards us, damage our reputation and brand name, and negatively affect our relationships with our customers, suppliers and/or distributors. As a result, our business, prospects, financial condition and results of operations could be materially and adversely affected.

We may also be affected by complainants who may file claims or lodge complaints with, among others, the relevant regulatory authorities, such as asserting lapses in the quality or defects in our products. This may in turn result in the imposition of fines or other penalties on us, or in extreme cases, a suspension or revocation of our licences, permits or approvals required for our business operations. While we have not, as at the Latest Practicable Date, encountered any such fines and/or penalties from regulators which had a material adverse impact on our business, prospects, financial condition and results of operations, there is no assurance that this will continue to be the case. Any such penalties imposed on us by the relevant regulatory authorities may result in our business, prospects, financial condition and results of operations being materially and adversely affected.

During the Period Under Review, none of the circumstances described above have occurred which have had a material and adverse impact on our Group.

Our insurance coverage may not be adequate to indemnify us against all possible liabilities

We maintain different insurance policies covering various aspects of our business, as described in further detail under the section entitled “General Information on our Group – Insurance” of this Offer Document. There can be no assurance that such insurance can be obtained on commercially reasonable terms or at all, or that any such coverage will be adequate to cover any losses suffered by us. There can also be no assurance that we will be able to renew all our policies or obtain new policies on similar terms. Liabilities may exceed our available insurance coverage or arise from claims outside the scope of our insurance coverage. If the aggregate limit of any of our insurance policies is exhausted, in whole or in part, there could be a reduction of the limits available to pay any other material claims applicable to that policy period. In the event that the aggregate amount of such claims exceeds the coverage of our insurance policies, we may be liable for shortfalls in the amounts claimed and our business, prospects, financial condition and results of operations may be materially and adversely affected as a result.

During the Period Under Review, none of the circumstances described above have occurred.

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We face inventory management risks

Our ability to distribute products to our customers in a timely manner is dependent on, among others, our ability to accurately forecast our supply needs and efficiently manage inventory. Although we seek to reduce our exposure to inventory management risks by establishing arrangements with our customers where supply is pre-paid in advance by the customer, we still maintain inventory levels in respect of our pharmaceutical products and medical supplies and devices, primarily based on our forecasted supply needs, which are estimated with reference to market conditions and based on our management's experience. Please refer to the section entitled "General Information on our Group – Inventory Management" of this Offer Document for more details.

Notwithstanding the above, our ability to accurately forecast our inventory needs is affected by market fluctuations and other factors beyond our control. In addition, our pharmaceutical products have limited shelf lives, generally ranging between three (3) to 18 months for certain vaccines and oncology products, and between one (1) to three (3) years for other pharmaceutical products, and certain products may also be temperature-sensitive, which increases the risk of inventory obsolescence. During the Period Under Review, our Group did not record any material provisions and/or write-offs of inventories. In particular, although our Group experienced a decrease in revenue in 1Q2023, such decrease was mainly attributable to a decrease in the sale of masks in our mask and medical supplies segment, which we do not hold significant inventories for as at the end of 1Q2023. Accordingly, our Group does not expect a material increase in provisions and/or write-offs of inventories in the next 12 months. However, if we fail to manage our inventory effectively (including ensuring that any specific storage conditions that are required, such as cold storage, are maintained), we may face risks such as shortage of supply of our products, inventory obsolescence, deterioration of inventory, a decline in inventory values and significant inventory write-offs. We may suffer losses in the event of an occurrence of the foregoing and such losses may not be fully covered by insurance. To the extent that the losses we suffer are uninsured or uninsurable, our business, prospects, financial condition and results of operations could be materially and adversely affected.

Our business operations may be adversely affected by security threats, cyber-attacks and other disruptions affecting our information technology and related systems

We utilise information technology ("IT") systems, such as SAP (Systems Application and Products in Data Processing, an enterprise resource planning software), Metrex (a pharmaceutical management system) and Whyze (a cloud-based human resources system for the management of payroll, leave, claims and taxes), in our day-to-day operations to manage our business processes and to record and process operational and financial data. In particular, we rely on IT systems to, among other things, facilitate the shipping and transport of products to and from our warehouses, monitor and control the receipt and processing of orders, inventory levels and product flows, manage our quality control systems, manage billings and collections from customers, and process payments to suppliers and service providers.

Our IT and infrastructure are vulnerable to computer viruses, attacks by hackers, or breaches due to employee error or malfeasance. Furthermore, our networks and technology systems may be subject to disruption due to events beyond our control such as fire, telecommunications failure, terrorist attack or other catastrophic events. Although we employ security measures to prevent, detect, address and mitigate these risks (including access controls, data encryption, vulnerability assessments and maintenance of backup and protective systems), these threats may still materialise. If any of our security measures are compromised, this could result in disruptions to our business operations. Unauthorised disclosure, misuse or loss of confidential, sensitive or

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proprietary information could negatively impact our ability to carry out our normal business operations and could result in potential liability and damage to our reputation, any of which could have a material adverse effect on our business, prospects, financial condition and results of operations.

In addition, we are exposed to risks of cybersecurity threats, data privacy breaches as well as other network security risks. Such security breaches could jeopardise the security of information stored in our IT systems or transmitted over our networks and could result in unauthorised access to and misappropriation, modification or deletion of information or data (including client information or data). The scale and level of sophistication of cybersecurity threats have increased especially in recent times, and we may not be able to anticipate or implement effective measures to protect against such breaches. Actual or anticipated attacks or risks may cause us to incur significant costs, including costs of remedying any security breaches, deploying additional personnel, implementing network protection technologies, training and engaging third-party experts or consultants.

Any material disruption, breach or failure of our IT systems could result in our inability to perform, or delays in our performance of, critical business operational functions or the loss of key business data, which could materially and adversely affect our business operations, as well as expose us to possible litigation and liability under various laws and regulations. Furthermore, depending on the severity of the breach, this could result in reputational harm to our Group and could cause our customers, suppliers or distributors to lose trust and confidence in us. As a result, our business, prospects, financial condition and results of operations could be materially and adversely affected.

During the Period Under Review, none of the circumstances described above have occurred.

Our operations are subject to the political, economic and social developments as well as laws, regulations and licensing requirements in Singapore and globally

While our Group operates out of Singapore, we market, distribute and sell pharmaceutical products and medical supplies and devices across various jurisdictions, including Japan, Malaysia, Hong Kong, Thailand, the U.S. and Canada. As such, our Group's business, prospects, financial position and results of operations may be adversely affected by political, economic, social and legal developments in Singapore and globally that are beyond our control. Such political and economic uncertainties include, but are not limited to, the risks of war, terrorism, changes in interest rates, rates of economic growth, fiscal and monetary policies of the government, inflation, deflation, methods of taxation and tax policy, unemployment trends, and other matters that influence consumer confidence, spending and tourism. In particular, factors such as gross domestic product growth, disposable income and unemployment rates, both in Singapore and globally, may affect the demand for our products and services and indirectly affect our business operations.

Given the uncertainties of the future economic outlook, there is no assurance that we will be able to grow our business, or that we will be able to react promptly to any changes in economic conditions. In the event that we fail to react promptly to changing economic conditions, our business, prospects, financial condition and results of operations may be adversely affected.

We are exposed to credit risk and defaults in payments by our customers

We generally extend to our customers credit terms of between 30 to 60 days, depending on factors such as creditworthiness, level of risk involved, size of order, payment history records and length of time dealing with the customer. Please refer to the section entitled "General Information on our

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Group – Credit Terms” of this Offer Document for further details. To the extent that revenue recognised under a sales contract has not been received, we record it as trade receivables.

Our customers may be unable to meet their contractual payment obligations to us, either in a timely manner or at all. The reasons for payment delays, cancellations or default by our customers may include, *inter alia*, insolvency, bankruptcy, insufficient financing or working capital due to late payment by their respective end-customers or other force majeure events. Any material delays or defaults in payment by our customers or an increase in provisions for impairment of our receivables from customers will adversely affect our financial condition, profitability and cash flows. While, as at the Latest Practicable Date, the trade receivables from one of our customers which was due for more than 180 days amounted to approximately US\$0.2 million, as disclosed in further detail in the section entitled “General Information on our Group – Credit Terms” of this Offer Document, this did not amount to a material and adverse impact on our Group. Although we have not encountered such difficulties in the past which have materially and adversely impacted our Group, there is no assurance that our customers will not default in their payments and in such circumstances, we may not be able to enforce our contractual rights to receive payments through legal proceedings. In the event that a significant number of our customers default in their payments, trade bad debts written-off will increase, and this will have an adverse impact on our business, prospects, financial condition and results of operations.

RISKS RELATING TO INVESTMENT IN OUR SHARES

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Mainboard of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a sponsor-supervised listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listing on the Mainboard of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Mainboard of the SGX-ST and the future success and liquidity in the market of our Shares cannot be guaranteed.

Pursuant to the Catalist Rules, we are required to, *inter alia*, retain a sponsor at all times after our admission to Catalist. In particular, unless approved by the SGX-ST, PPCF must act as our Catalist sponsor for at least three (3) years after the admission of our Company to Catalist. In addition, we may be delisted in the event that we do not have a sponsor for more than three (3) continuous months. There is no assurance that following the expiration of the three (3)-year period, PPCF will continue to act as our sponsor or that we are able to find a replacement sponsor within the three (3)-month period. Should such risks materialise, we may be delisted.

Market and economic conditions may affect the market price and demand for our Shares

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price and demand for our Shares. As our Shares will be quoted in S\$ on the SGX-ST, dividends, if any, in respect of our Shares will be paid in S\$. Fluctuations in the exchange rate between the S\$ and other currencies will affect, amongst other things, the foreign currency value of the proceeds which a Shareholder would receive upon sale in Singapore of our Shares and the foreign currency value of dividend distributions.

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An active trading market for our Shares may not develop and could affect the trading price of our Shares

Prior to the Placement, there has been no public market for our Shares. Although an application has been made to the SGX-ST for the listing and quotation of our Shares on Catalist, there can be no assurance that there will be a liquid public market for our Shares after the Placement. The extent to which a trading market may develop or how liquid the market might become depends on a variety of factors, including, among others, our results of operations, performance of our business, competitive conditions, general economic, political and social factors, volatility in the Singapore and global securities markets and the performance of the Singapore economy. If an active public market for our Shares does not develop after the Placement, the market price and liquidity of our Shares may be adversely affected.

There is also no assurance that the market price for our Shares will not decline below the Placement Price. The Placement Price may not necessarily be indicative of the market price of our Shares after the Placement is complete and investors may be unable to resell their Shares at or above the Placement Price. The prices at which our Shares will trade after the Placement will be determined by the market and may be influenced by many factors, including:

- (a) our financial results;
- (b) our prospects, and those of the industries which we operate in;
- (c) an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- (d) the present state of our development;
- (e) the valuation of publicly-traded companies that are engaged in business activities similar to ours; and
- (f) any volatility in the securities markets of Singapore.

Our Share price may fluctuate significantly in the future which could result in substantial losses for investors subscribing for our Shares pursuant to the Placement

The market price of our Shares may fluctuate significantly and rapidly as a result of, amongst others, the following factors, some of which are beyond our control:

- (a) variation in our results of operations;
- (b) our prospects, as well as those of the industries which we operate in;
- (c) changes in securities analysts' estimates of our results of operations and recommendations;
- (d) announcements made by us of significant contracts, acquisitions, strategic alliances or joint ventures or capital commitments;
- (e) additions or departures of key personnel;
- (f) fluctuations in stock market prices and volume;

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- (g) involvement in litigation and/or investigations by government authorities;
- (h) general economic and stock market conditions; and
- (i) discrepancies between our actual operating results and those expected by investors and securities analysts.

The stock markets have from time to time experienced significant price and volume fluctuations that have affected the market prices of securities. These fluctuations have often been unrelated or disproportionate to the operating performance of publicly-traded companies. In the past, following periods of volatility in the market price of a particular company's securities, an investor may lose all or part of his investment and litigation has sometimes been brought against that company. If similar litigation is instituted against us, it could result in substantial costs and diversion of our management's attention and resources from our core businesses.

Future issuance of Shares by us and sale of Shares by our existing Shareholders could adversely affect the price of our Shares

Any future issuance of Shares by us and sale of Shares by our existing Shareholders can have a downward pressure on our Share price. The issue or sale of a significant amount of our Shares in the public market after the Placement, or the perception that such issues or sales may occur, could adversely affect the market price of our Shares. Such issues or sales may also make it difficult for us to issue new Shares and raise the necessary funds in the future at a time and price we deem appropriate.

Except as otherwise described in the section entitled "Shareholders – Moratorium" of this Offer Document, there will be no restriction on the ability of our Shareholders to sell their Shares either on Catalist or otherwise. In addition, the price of our Shares may be under downward pressure if Shareholders who are subject to a moratorium sell their Shares upon the expiry of their respective moratorium periods.

Investors may not be able to participate in future rights issues or certain other equity issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we will have the discretion and may also be subject to certain regulations as to the procedures to be followed in making such rights available to Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, we may not offer such rights to our existing Shareholders having an address in jurisdictions outside of Singapore.

Accordingly, certain Shareholders may be unable to participate in future equity offerings by us and may experience dilution in their shareholdings as a result.

We may require additional funding for our growth plans and such funding may result in a dilution of our Shareholders' investment

We have attempted to estimate our funding requirements in order to implement our growth plans, as set out in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document. In the event that the costs of implementing such plans should exceed these estimates significantly or we come across opportunities to grow through

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expansion plans which cannot be predicted at this juncture and the funds generated from our operations prove insufficient for such purposes, we may need to raise additional funds to meet these funding requirements.

These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or from other resources. We cannot ensure that we will be able to obtain any additional financing on terms that are acceptable to us, or at all. If we fail to obtain additional financing on terms that are acceptable to us, we will not be able to implement such plans fully. Such financing, even if obtained, may be accompanied by conditions that limit our ability to pay dividends or require us to seek lenders' consent for the payment of dividends or restrict our freedom to operate our business by requiring lenders' consent for certain corporate actions.

Further, in the event that we raise additional funds by way of a limited placement or by a rights offering or through the issuance of new Shares, any Shareholders who are unable or unwilling to participate in such additional rounds of fundraising may suffer dilution in their investments.

Negative publicity which includes those relating to our Group or any of our Directors, Executive Officers or Controlling Shareholders may adversely affect our Share price

Any negative publicity or announcements relating to our Group or any of our Directors, Executive Officers or Controlling Shareholders may adversely affect the market perception of our Group or the performance of the price of our Shares, whether or not it is justified. For instance, such negative publicity may arise from unsuccessful attempts in joint ventures, acquisitions or take-overs, or involvement in insolvency proceedings.

Control by our Shareholders of our share capital after the Placement may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

Immediately following the completion of the Placement, our Controlling Shareholders, namely, PMI Holdings Pte. Ltd. and Plutus Star Holding Pte. Ltd., will hold in aggregate approximately 84.8% of the issued share capital of our Company post-Placement. Please refer to the section entitled "Shareholders" of this Offer Document for more details. As a result, our Controlling Shareholders will be able to exercise significant influence over matters requiring Shareholders' approval, including the election of Directors and the approval of significant corporate transactions such as mergers or take-over attempts, in a manner which may not be in line with the interests of our public Shareholders. Our Controlling Shareholders will also have veto power with respect to any Shareholders' action or approval requiring a majority vote except in situations where they are required by the Catalist Rules, the SGX-ST or undertakings given by them and their Associates to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Group which may not benefit Shareholders.

You will incur immediate dilution and may experience further dilution in the NAV of your Shares

The Placement Price of 25.0 cents per Share is substantially higher than our Group's *pro forma* NAV per Share of 4.14 cents as at 30 September 2022 based on our share capital immediately following the completion of the Placement, and adjusted for the net proceeds from the Placement. If we were liquidated immediately following the Placement, each investor subscribing for the Placement Shares would receive less than the price he paid for the Placement Shares. Please refer to the section entitled "Dilution" of this Offer Document for further details.

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Our intended use of the proceeds of the Placement may not materialise

We intend to use the proceeds from the Placement for the purposes and in the manner set out in the section entitled “Use of Proceeds and Expenses of the Placement” of this Offer Document. However, there can be no assurance that our current intentions will materialise. As a result of the number and variability of factors that determine our use of the proceeds from the Placement, the actual uses may vary substantially from our current intentions. In such event, as we have discretion in the way we invest or spend the proceeds from the Placement, there can be no assurance that we will invest or spend the proceeds in ways with which you agree or which you believe will have the most beneficial effect on our profitability.

We may not be able to declare dividends in the future

Our ability to declare dividends to our Shareholders in the future will be contingent on our future financial performance and distributable reserves of our Company. This is in turn dependent on our ability to implement our future plans, and on regulatory, competitive and technical factors and other factors such as general economic conditions, demand for and selling prices of our pharmaceutical products and medical supplies and devices and other factors exclusive to the pharmaceutical products and medical supplies and devices industry. Any of these factors could have a material adverse effect on our business, prospects, financial position and results of operations, and hence there is no assurance that we will be able to pay dividends to our Shareholders after the completion of the Placement.

The ability of our subsidiaries to pay dividends will depend on their earnings and cash flows and will be subject to laws and regulations of the relevant jurisdictions where they operate. The receipt of dividends from our subsidiaries may also be affected by the passage of new laws, adoption of new regulations and other events outside our control, and our subsidiaries may not continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. Source withholding tax and exchange rate fluctuations may also apply to dividends and distributions from our subsidiaries to us. If our subsidiaries stop paying dividends or reduce the amount of the dividends they pay to our Company, or dividends become subject to increased tax because of changes in ownership of our subsidiaries or changes in tax laws or treaties, it would have an adverse effect on our ability to pay dividends on our Shares.

Further, in the event that we are required to enter into any loan arrangements with any financial institutions, covenants in the loan agreements may also limit when and how much dividends we can declare and pay out, or may also restrict the ability of our subsidiaries to make contributions to us and our ability to receive distributions.

Singapore take-over laws contain provisions that could discourage a take-over of our Company

We are subject to the Take-over Code which contains certain provisions that may possibly delay, deter or prevent a future take-over or change in control of our Company. Under the Take-over Code, except with the consent of the Securities Industry Council of Singapore, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares, is required to extend a take-over offer for the remaining voting Shares in accordance with the Take-over Code. Except with the consent of the Securities Industry Council of Singapore, such a take-over offer is also required to be made if a person holding between 30.0% and 50.0% (both inclusive) of the voting Shares, either on his own or together with parties acting in concert with him, acquires additional voting Shares representing more than 1.0% of the voting Shares in any

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six (6)-month period. While the Take-over Code seeks to ensure an equality of treatment among Shareholders, its provisions could substantially impede the ability of our Shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and the ability to realise any benefits from a potential change of control. In addition, our Controlling Shareholders, PMI Holdings Pte. Ltd. and Plutus Star Holding Pte. Ltd., will have an aggregate shareholding interest of approximately 84.8% in our share capital immediately following the completion of the Placement. This concentration of ownership could delay, deter or prevent a change in control of our Company or a successful offer under the Take-over Code by another person.

USE OF PROCEEDS AND EXPENSES OF THE PLACEMENT

USE OF PROCEEDS

The estimated net proceeds to be raised from the Placement, after deducting the aggregated estimated expenses incurred in relation to the Placement of approximately S\$1.9 million, will be approximately S\$3.1 million.

We intend to use our gross proceeds from the Placement primarily for the following purposes:

| Use of proceeds | Amount in aggregate (S\$'000) | Estimated amount allocated for each dollar of the gross proceeds raised from the Placement (cents) |
|--|----------------------------------|--|
| Strengthening our existing business segments and diversification into new geographical market segments | 1,000 | 20.0 |
| Exploring opportunities in mergers and acquisitions, joint ventures and strategic alliances | 1,600 | 32.0 |
| General working capital purposes | 462 | 9.2 |
| Net proceeds | 3,062 | 61.2 |
| Listing expenses ⁽¹⁾ | 1,938 | 38.8 |
| Gross proceeds from the Placement | 5,000 | 100.0 |

Note:

- (1) Of the total estimated listing expenses to be borne by our Company, approximately S\$0.3 million will be capitalised against share capital and the balance of the estimated listing expenses will be accounted for under our Group's statement of profit or loss and other comprehensive income. Please refer to the section entitled "Use of Proceeds and Expenses of the Placement – Listing Expenses" below for further details.

Further details of our use of proceeds may be found in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document. Save as disclosed in this section and in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document, we do not intend to use the net proceeds from the Placement to acquire or refinance the acquisition of any asset, business or entity, and as at the Latest Practicable Date, we have not identified any asset, business or entity to acquire or refinance.

The foregoing discussion represents our best estimate of our allocation of the proceeds of the Placement based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that we decide to reallocate the net proceeds of the Placement for other purposes, we will publicly announce our intention to do so through a SGXNET announcement to be posted on the internet at the SGX-ST's website, <http://www.sgx.com>.

USE OF PROCEEDS AND EXPENSES OF THE PLACEMENT

Pending the deployment of the net proceeds to be raised from the Placement as aforesaid, we may use the funds as working capital, place the funds in short-term deposits with banks and financial institutions or invest in short-term money market instruments as our Directors may, in their absolute discretion, deem fit.

We will make periodic announcements on the use of the proceeds from the Placement as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in our financial results announcements and our annual report.

In the opinion of our Directors, no minimum amount must be raised by the Placement.

None of the proceeds of the Placement will be used to discharge, reduce or retire any indebtedness of our Group.

LISTING EXPENSES

The estimated amount of expenses of the Placement and of the application for listing, including the placement commission, professional fees and all other incidental expenses in relation to this Placement is approximately S\$1.9 million. Such expenses will be borne by us and deducted from the gross proceeds from the Placement.

A breakdown of these estimated expenses to be borne by us in relation to the Placement is as follows:

| Expenses⁽¹⁾ | Estimated amount (S\$'000)⁽²⁾ | As a percentage of gross proceeds from the Placement (%) |
|---|---|---|
| Listing and application fees | 53 | 1.1 |
| Professional fees and expenses ⁽³⁾ | 1,720 | 34.4 |
| Placement commission ⁽⁴⁾ | 150 | 3.0 |
| Miscellaneous expenses | 15 | 0.3 |
| Total | 1,938 | 38.8 |

Notes:

- (1) Of the total estimated listing expenses to be borne by our Company, approximately S\$0.3 million will be capitalised against share capital and the balance of the estimated listing expenses will be accounted for under our Group's statement of profit or loss and other comprehensive income.
- (2) Amounts exclude GST, where applicable.
- (3) Amounts include, amongst others, the estimated audit and legal fees, fees for the Issue Manager, Sponsor and Placement Agent and other professionals.
- (4) The amount of placement commission per Placement Share, agreed upon between the Issue Manager, Sponsor and Placement Agent and our Company is 3.0% of the Placement Price payable for each Placement Share. For more information, please refer to the section entitled "Plan of Distribution – Management, Sponsorship and Placement Arrangements" of this Offer Document.

Subscribers for the Placement Shares may be required to pay brokerage of up to 1.0% of the Placement Price (and the prevailing GST thereon, if applicable) to the Issue Manager, Sponsor and Placement Agent or any sub-placement agent as may be appointed by the Issue Manager, Sponsor and Placement Agent as well as stamp duties and other charges.

DIVIDEND POLICY

Statements contained in this section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties and should under no circumstances be regarded as a representation, warranty or prediction by us, the Issue Manager, Sponsor and Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date hereof.

PAST DIVIDENDS

Our Company was incorporated on 3 November 2017.

Our Board had declared interim dividends of US\$1,250,000 (at US\$1,250 per Share) in respect of FY2020 on 29 April 2020, US\$1,250,000 (at US\$6.25 per Share) in respect of FY2021 on 28 January 2021, US\$1,500,000 (at US\$7.50 per Share) in respect of FY2021 on 30 June 2021 and US\$2,100,000 (at US\$10.50 per Share) in respect of FY2022 on 30 June 2022, to our Shareholders, PMI Holdings Pte. Ltd. and Plutus Star Holding Pte. Ltd.. Such dividends have been fully settled as at the Latest Practicable Date.

Our subsidiary, Pasture Pharma had declared interim dividends of US\$1,250,000 (at US\$6.25 per ordinary share) in respect of FY2020 on 24 April 2020, US\$1,250,000 (at US\$6.25 per ordinary share) in respect of FY2020 on 1 June 2020, US\$1,550,000 (at US\$7.75 per ordinary share) in respect of FY2021 on 30 June 2021 and US\$2,100,000 (at US\$10.50 per ordinary share) in respect of FY2022 on 30 June 2022, to our Company, as the sole shareholder of Pasture Pharma. Such dividends have been fully settled as at the Latest Practicable Date.

Save as set out above, our Company and our subsidiaries have not declared or paid any dividends during the Period Under Review and up to the Latest Practicable Date.

DIVIDEND POLICY

We currently do not have a fixed dividend policy. The declaration and payment of future dividends may be recommended by our Board at their discretion, after considering a number of factors, including the factors outlined below as well as other factors deemed relevant by our Board:

- (a) the level of our cash and retained earnings;
- (b) our actual and projected financial performance;
- (c) our projected levels of capital expenditure and expansion plans;
- (d) our working capital requirements and general financial condition;
- (e) the terms of borrowing or financing arrangements (if any); and
- (f) the general economic and business conditions in which we operate,

(collectively, “**Dividend Factors**”).

Any final dividends we declare must be approved by an ordinary resolution of our Shareholders at a general meeting. All dividends must be paid out of our profits available for distribution, as derived from the standalone audited financial statements of our Company and not from our audited consolidated financial statements. The declaration and payment of final dividends will be determined at the sole discretion of our Directors, subject to the approval of our Shareholders. We

DIVIDEND POLICY

are not permitted to pay dividends in excess of the amount recommended by our Board. Our Board may, without the approval of our Shareholders, also declare interim dividends. All dividends will be paid in accordance with the Companies Act. Investors should note that the foregoing statements are merely statements of our present intention and shall not constitute legally binding obligations on our Company or legally binding statements in respect of our future dividends, which may be subject to modification (including reduction or non-declaration thereof) at our Directors' sole and absolute discretion.

The form, frequency and amount of future dividends will depend on the Dividend Factors. Any dividends declared will be disclosed in our Company's financial results announcement as required under Appendix 7C of the Catalist Rules.

All dividends will be paid *pro rata* among our Shareholders in proportion to the amount paid up on our Shares, unless the rights attaching to an issue of any Share provides otherwise. We currently only have one (1) class of Shares with equal rights attaching to such Shares. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

As we do not have a fixed dividend policy, the amount of dividends declared and paid by us in the past should not be taken as an indication of the dividends payable in the future. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends. Please refer to the section entitled "Risk Factors – Risks Relating to Investments in our Shares – We may not be able to declare dividends in the future" of this Offer Document for further details. Payment of any dividends shall be in S\$.

Please refer to "Appendix H – Description of Singapore Law Relating to Taxation – Singapore Taxation – Dividend Distributions" to this Offer Document for a description of Singapore taxation on dividends.

SHARE CAPITAL

Our Company (Registration No. 201731601W) was incorporated in Singapore on 3 November 2017 under the Companies Act as a private limited company, under the name of “Pasture Holdings Pte. Ltd.”. Our Company was converted into a public limited company and the name of our Company was changed to “Pasture Holdings Ltd.” in connection therewith on 28 March 2023.

As at the date of incorporation, our issued and paid-up share capital was US\$1,000 comprising 1,000 Shares. As at the Latest Practicable Date (prior to the Share Split), our issued and paid-up share capital was US\$200,000, comprising 200,000 Shares. As at the date of this Offer Document (following the completion of the Share Split), our issued and paid-up share capital was US\$200,000 comprising 112,000,000 Shares.

As at the date of this Offer Document, there is only one (1) class of shares in the capital of our Company, being the Shares. A summary of our Constitution relating to, amongst others, the voting rights of our Shareholders is set out in “Appendix F – Summary of our Constitution” to this Offer Document.

The issued and paid-up share capital of our Company immediately after the Share Split is US\$200,000 comprising 112,000,000 Shares. Upon the issue and allotment of the Placement Shares which are the subject of the Placement, the resultant issued and paid-up share capital of our Company will increase to US\$3,733,971 comprising 132,000,000 Shares.

Pursuant to written resolutions passed on 28 March 2023, our Shareholders approved, amongst others, the following:

- (a) the conversion of our Company into a public company limited by shares and the change of our name to “Pasture Holdings Ltd.”;
- (b) the adoption of a new Constitution with effect from the date of conversion of our Company into a public company;
- (c) the allotment and issue of the Placement Shares which are the subject of the Placement, on the basis that the Placement Shares, when allotted, issued and fully paid-up, will rank *pari passu* in all respects with the existing issued Shares;
- (d) the authorisation to our Directors, pursuant to Section 161 of the Companies Act and by way of ordinary resolution in a general meeting, to:
 - (i) (A) issue (in addition to the Placement Shares) Shares whether by way of rights, bonus or otherwise; and/or
 - (B) make or grant offers, agreements or options (collectively, the “**Instruments**”) that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares,

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

SHARE CAPITAL

- (ii) (notwithstanding such authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by our Directors pursuant to (i) above, while such authority was in force, provided that:
 - (A) the aggregate number of Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of any Instruments made or granted pursuant to such authority), does not exceed 100.0% of the total number of issued Shares excluding treasury shares and subsidiary holdings of our 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 our Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) does not exceed 50.0% of the total number of issued Shares excluding treasury Shares and subsidiary holdings of our Company (as calculated in accordance with sub-paragraph (B) below);
 - (B) (subject to such manner of 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 percentage of issued Shares shall be based on the total number of issued Shares post-Placement following the completion of the Placement, after adjusting for:
 - (1) new Shares arising from the conversion or exercise of any convertible securities, share options or vesting of share awards which are outstanding or subsisting at the time the resolution is passed; and
 - (2) any subsequent bonus issue, consolidation or subdivision of Shares;
 - (C) in exercising such authority, our Company shall comply with the provisions of the Companies Act, the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company; and
 - (D) (unless revoked or varied by our Company in general meeting) such authority so conferred shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier; and
- (e) the establishment and adoption of the Pasture Performance Share Plan (details of which are set in the section entitled “Pasture Performance Share Plan” of this Offer Document and also in “Appendix I – Rules of the Pasture Performance Share Plan” to this Offer Document) and the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of Award Shares as may be required to be delivered pursuant to the vesting of Awards granted under the Pasture Performance Share Plan.

Pursuant to written resolutions passed on 30 May 2023, our Shareholders approved, amongst others, the sub-division of each Share in the capital of our Company into 560 Shares (the “**Share Split**”), in connection with the Listing and the Placement.

There are no founder, management, deferred or unissued Shares reserved for issuance for any purpose. The Placement Shares shall have the same interest and voting rights as our existing Shares that were issued prior to the Placement and there are no restrictions to the free

SHARE CAPITAL

transferability of our Shares except where required by law or the Catalist Rules. Save for the Award Shares which may be granted under the Pasture Performance Share Plan, no person has been, or is permitted to be, given an option to subscribe for or purchase any securities of our Company or any of our subsidiaries.

Details of the changes in the issued and paid-up share capital of our Company in the last three (3) years prior to the Latest Practicable Date and the resultant issued and paid-up share capital immediately after the Placement are as follows:

| Purpose of issue | Number of Shares | Resultant issued and paid-up share capital (US\$) |
|---|-------------------------|--|
| Allotment of Shares on 1 June 2020 | 199,000 | 199,000 ⁽¹⁾ |
| Issued and paid-up share capital immediately before the Share Split | 200,000 | 200,000 |
| Issued and paid-up share capital immediately after the Share Split | 112,000,000 | 200,000 |
| Placement Shares to be issued pursuant to the Placement | 20,000,000 | 3,533,971 ⁽²⁾ |
| Issued and paid-up share capital immediately after the Placement | 132,000,000 | 3,733,971 |

Notes:

- (1) Of the 199,000 Shares issued on 1 June 2020, 135,750 Shares were issued pursuant to a capitalisation exercise, where an amount of US\$135,750 owing by our Company to its shareholders was capitalised by way of the allotment and issuance of 135,750 Shares at a subscription price of US\$1.00 for each Share. The amounts owing by our Company were attributable to the consideration payable for the acquisition of Pasture Pharma by our Company from its shareholders as part of an internal restructuring exercise.
- (2) Of the total estimated listing expenses to be borne by our Company, approximately S\$0.3 million (approximately US\$0.2 million based on the exchange rate as at the Latest Practicable Date) will be capitalised against share capital and the balance of the estimated listing expenses will be accounted for under our Group's statement of profit or loss and other comprehensive income.

The issued and paid-up share capital and the Shareholders' equity of our Company after adjustments to reflect the Share Split and the Placement Shares pursuant to the Placement are set forth below.

| | As at incorporation | As at the Latest Practicable Date | After the Share Split | After the Placement |
|---|----------------------------|--|------------------------------|----------------------------|
| Issued and paid-up share capital (number of Shares) | 1,000 | 200,000 | 112,000,000 | 132,000,000 |
| Issued and paid-up share capital (US\$) | 1,000 | 200,000 | 200,000 | 3,733,971 ⁽¹⁾ |
| Retained earnings (US\$) | – | 706,494 | 706,494 | 103,664 ⁽¹⁾ |
| Total equity (US\$) | 1,000 | 906,494 | 906,494 | 3,837,635 |

SHARE CAPITAL

Note:

- (1) Based on the total estimated amount of expenses of the Placement of approximately S\$1.9 million (approximately US\$1.4 million based on the exchange rate as at the Latest Practicable Date) and assuming a set-off of our Company's estimated listing expenses of approximately S\$0.3 million (approximately US\$0.2 million based on the exchange rate as at the Latest Practicable Date) against our share capital. The balance of the estimated listing expenses payable in cash of approximately S\$1.6 million (approximately US\$1.2 million based on the exchange rate as at the Latest Practicable Date) will be accounted for under our Group's statement of profit or loss and other comprehensive income and retained earnings in equity.

Save as disclosed above and in the section entitled "General Information – Share Capital" of this Offer Document, there were no changes in the issued and paid-up share capital of our Company in the past three (3) years prior to the Latest Practicable Date.

SHAREHOLDERS

OWNERSHIP STRUCTURE

Our Directors and Substantial Shareholders and their respective shareholdings as at the Latest Practicable Date (prior to the Share Split), immediately before the Placement (as at the date of this Offer Document and as adjusted for the Share Split) and immediately after the Placement are set out as follows:

| | As at the Latest Practicable Date (prior to the Share Split) | | | Before the Placement (adjusted for the Share Split) | | | After the Placement | | |
|--|---|--------------|--|--|--------------|--|--|--------------|--|
| | Direct Interest Number of Shares | % | Deemed Interest Number of Shares | Direct Interest Number of Shares | % | Deemed Interest Number of Shares | Direct Interest Number of Shares | % | Deemed Interest Number of Shares |
| Directors | | | | | | | | | |
| Mr. Lloyd Soong ⁽¹⁾ | – | – | 132,000 | – | – | 73,920,000 | – | – | 73,920,000 |
| Ms. Claire Soong | – | – | – | – | – | – | – | – | – |
| Mr. Prashanth Palepu ⁽²⁾ | – | – | 68,000 | – | – | 38,080,000 | – | – | 38,080,000 |
| Mr. Michael Lim | – | – | – | – | – | – | – | – | – |
| Ms. Claudia Teo | – | – | – | – | – | – | – | – | – |
| Ms. Sharon Low | – | – | – | – | – | – | – | – | – |
| Substantial Shareholders (Other than our Directors) | | | | | | | | | |
| PMI Holdings Pte. Ltd. ⁽¹⁾ | 132,000 | 66.0 | – | 73,920,000 | 66.0 | – | 73,920,000 | 56.0 | – |
| Plutus Star Holding Pte. Ltd. ⁽²⁾⁽³⁾⁽⁴⁾ | 68,000 | 34.0 | – | 38,080,000 | 34.0 | – | 38,080,000 | 28.8 | – |
| Mr. Pranay Palepu ⁽³⁾ | – | – | 68,000 | – | – | 38,080,000 | – | – | 38,080,000 |
| Mr. Srinivasa Gopal Palepu ⁽⁴⁾ | – | – | 68,000 | – | – | 38,080,000 | – | – | 38,080,000w |
| Public | – | – | – | – | – | – | 20,000,000 | 15.2 | – |
| Total | 200,000 | 100.0 | – | 112,000,000 | 100.0 | – | 132,000,000 | 100.0 | – |

SHAREHOLDERS

Notes:

- (1) Mr. Lloyd Soong holds the entire issued and paid-up share capital of PMI Holdings Pte. Ltd.. Accordingly, Mr. Lloyd Soong is deemed to have an interest in all the Shares held by PMI Holdings Pte. Ltd. by virtue of Section 4 of the SFA.
- (2) Mr. Prashanth Palepu holds 25.0% of the issued and paid-up share capital of Plutus Star Holding Pte. Ltd.. Accordingly, Mr. Prashanth Palepu is deemed to have an interest in all the Shares held by Plutus Star Holding Pte. Ltd. by virtue of Section 4 of the SFA.
- (3) Mr. Pranay Palepu holds 25.0% of the issued and paid-up share capital of Plutus Star Holding Pte. Ltd.. Accordingly, Mr. Pranay Palepu is deemed to have an interest in all the Shares held by Plutus Star Holding Pte. Ltd. by virtue of Section 4 of the SFA.
- (4) Mr. Srinivasa Gopal Palepu holds 50.0% of the issued and paid-up share capital of Plutus Star Holding Pte. Ltd.. Accordingly, Mr. Srinivasa Gopal Palepu is deemed to have an interest in all the Shares held by Plutus Star Holding Pte. Ltd. by virtue of Section 4 of the SFA.

Save as disclosed in the section entitled “Directors, Executive Officers and Employees” of this Offer Document, there are no relationships among our Directors, Substantial Shareholders and Executive Officers.

To the best of the knowledge of our Directors, we are not directly or indirectly owned or controlled, whether severally or jointly, by any other corporation, any government or other natural or legal person.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Placement Shares which are the subject of the Placement.

As at the Latest Practicable Date, our Company has only one (1) class of Shares. There is no restriction on the transfer of fully paid Shares in scripless form except where required by law or the Catalist Rules.

There has been no public take-over offer by a third-party in respect of our Shares or by our Company in respect of the shares of another corporation or units of business trust which has occurred between the date of the incorporation of our Company to the Latest Practicable Date.

There are no Shares in our Company that are held by or on behalf of our Company or by the subsidiaries of our Company.

Our Directors are not aware of any arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed in this section and the sections entitled “Dilution” and “Share Capital” of this Offer Document, there has been no significant changes in the percentage ownership of our Shares in the last three (3) years prior to the Latest Practicable Date.

MORATORIUM

Controlling Shareholders and their Associates

Under Rule 422 of the Catalist Rules, (a) our Controlling Shareholders and their Associates; and (b) Executive Directors with interest of 5.0% or more of our issued share capital (excluding subsidiary holdings) as at our Company’s date of admission to Catalist, will be deemed promoters of our Company.

SHAREHOLDERS

PMI Holdings Pte. Ltd. and Plutus Star Holding Pte. Ltd.

Each of PMI Holdings Pte. Ltd. and Plutus Star Holding Pte. Ltd., who are each deemed a promoter of our Company, has undertaken to the Issue Manager, Sponsor and Placement Agent and our Company, that it will not, amongst others, sell, transfer, assign, dispose of, realise or enter into any arrangement that will directly or indirectly constitute or will be deemed as disposals or transfers of (collectively, the **“Restricted Transactions”**) any Shares which it holds or has an interest in as at the Listing Date (adjusted for any bonus issue or sub-division of our Shares) (the **“Lock-up Shares”**), from the date commencing on the Listing Date and for a period of six (6) months from the Listing Date (both dates inclusive) (the **“First Lock-up Period”**).

In addition to the First Lock-up Period, each of PMI Holdings Pte. Ltd. and Plutus Star Holding Pte. Ltd. has further undertaken to the Issue Manager, Sponsor and Placement Agent and our Company that it will not, amongst others, carry out the Restricted Transactions in respect of their respective interests in 50.0% of the Lock-up Shares (adjusted for any bonus issue or sub-division of our Shares) for a further period of six (6) months immediately after the First Lock-up Period (the **“Second Lock-up Period”**).

Mr. Lloyd Soong

Mr. Lloyd Soong holds the entire issued and paid-up share capital of PMI Holdings Pte. Ltd. (the **“PMI Lock-up Shares”**) and accordingly, is deemed a promoter of our Company. Mr. Soong has undertaken to the Issue Manager, Sponsor and Placement Agent and our Company, that he will not, amongst others, carry out the Restricted Transactions in respect of 100.0% of the PMI Lock-up Shares, from the date commencing on the Listing Date and for a period of 12 months from the Listing Date (both dates inclusive).

In addition, Mr. Lloyd Soong has further undertaken to the Issue Manager, Sponsor and Placement Agent and our Company that he will not, amongst others, carry out the Restricted Transactions in respect of:

- (a) 100.0% of the Shares which he holds or has an interest in as at the Listing Date (adjusted for any bonus issue or sub-division of our Shares) (the **“Lloyd Indirect Lock-up Shares”**) for the First Lock-up Period; and
- (b) 50.0% of the Lloyd Indirect Lock-up Shares (adjusted for any bonus issue or sub-division of our Shares) for the Second Lock-up Period.

Mr. Lloyd Soong has further agreed and irrevocably undertaken that he shall procure that PMI Holdings Pte. Ltd. shall comply with its deed of undertaking given to the Issue Manager, Sponsor and Placement Agent and our Company.

Mr. Prashanth Palepu, Mr. Pranay Palepu and Mr. Srinivasa Gopal Palepu

Mr. Prashanth Palepu, Mr. Pranay Palepu and Mr. Srinivasa Gopal Palepu hold 25.0%, 25.0% and 50.0% of the issued and paid-up share capital of Plutus Star Holding Pte. Ltd., respectively (the **“Plutus Star Lock-up Shares”**) and accordingly, are each deemed a promoter of our Company. Each of Mr. Prashanth Palepu, Mr. Pranay Palepu and Mr. Srinivasa Gopal Palepu has undertaken to the Issue Manager, Sponsor and Placement Agent and our Company, that each of them will not, amongst others, carry out the Restricted Transactions in respect of 100.0% of the Plutus Star Lock-up Shares, from the date commencing on the Listing Date and for a period of 12 months from the Listing Date (both dates inclusive).

SHAREHOLDERS

In addition, each of Mr. Prashanth Palepu, Mr. Pranay Palepu and Mr. Srinivasa Gopal Palepu has further undertaken to the Issue Manager, Sponsor and Placement Agent and our Company that each of them will not, amongst others, carry out the Restricted Transactions in respect of:

- (a) 100.0% of the Shares which each of them holds or has an interest in as at the Listing Date (adjusted for any bonus issue or sub-division of our Shares) (the “**Palepu Indirect Lock-up Shares**”) for the First Lock-up Period; and
- (b) 50.0% of the Palepu Indirect Lock-up Shares (adjusted for any bonus issue or sub-division of our Shares) for the Second Lock-up Period.

Each of Mr. Prashanth Palepu, Mr. Pranay Palepu and Mr. Srinivasa Gopal Palepu has further agreed and irrevocably undertaken that each of them shall procure that Plutus Star Holding Pte. Ltd. shall comply with its deed of undertaking given to the Issue Manager, Sponsor and Placement Agent and our Company.

DILUTION

Dilution is the amount by which the Placement Price paid by subscribers of our Placement Shares in this Placement exceeds our NAV per Share immediately after the completion of the Placement. Our unaudited *pro forma* NAV per Share as at 30 September 2022 was 1.86 cents. The NAV per Share was determined based on our unaudited *pro forma* NAV as at 30 September 2022 adjusted for the Share Split but before adjusting for the estimated net proceeds from the issue and allotment of the Placement Shares based on our Company's pre-Placement share capital of 112,000,000 Shares (after adjusting for the Share Split).

Pursuant to the Placement in respect of 20,000,000 Placement Shares at the Placement Price, our unaudited *pro forma* NAV per Share as at 30 September 2022 after adjusting for the Share Split and the estimated net proceeds due to our Company from Placement and based on our Company's post-Placement share capital of 132,000,000 Shares would have been 4.14 cents. This represents an immediate increase in unaudited *pro forma* NAV per Share of 2.28 cents to our existing Shareholders and an immediate dilution in unaudited *pro forma* NAV per Share of 20.86 cents or approximately 83.42% to our new Shareholders.

The following table illustrates the dilution in our NAV per Share:

| | Cents |
|--|--------|
| Placement Price | 25.00 |
| Unaudited <i>pro forma</i> NAV per Share as at 30 September 2022 ⁽¹⁾ adjusted for the Share Split but before adjusting for the estimated net proceeds from the Placement and based on our Company's pre-Placement share capital of 112,000,000 Shares (after adjusting for the Share Split) | 1.86 |
| Increase in unaudited <i>pro forma</i> NAV per Share attributable to existing Shareholders | 2.28 |
| Unaudited <i>pro forma</i> NAV per Share after adjusting for the Share Split and the estimated net proceeds from the Placement and based on our Company's post-Placement share capital of 132,000,000 Shares | 4.14 |
| Dilution in unaudited <i>pro forma</i> NAV per Share to new Shareholders post-Placement | 20.86 |
| Dilution in unaudited <i>pro forma</i> NAV per Share to new Shareholders post-Placement as a percentage of the Placement Price | 83.42% |

Note:

(1) The unaudited *pro forma* NAV per Share as at 30 September 2022 was converted at the closing exchange rate as at 30 September 2022 of US\$1.00:S\$1.4349.

DILUTION

The following table summarises the total number of Shares (as adjusted for the Share Split) acquired by our existing Shareholders during the period of three (3) years prior to the lodgement of this Offer Document, the total number of Shares issued by us, the total consideration paid to us and the average price paid per Share by our new investors pursuant to the Placement.

| | Number of Shares acquired | Total consideration (S\$'000) | Average effective cash cost per Share (cents) |
|---------------------------------|---------------------------------|-------------------------------------|--|
| Existing Shareholders | | | |
| <i>Controlling Shareholders</i> | | | |
| PMI Holdings Pte. Ltd. | 73,550,400 | 185 ⁽¹⁾ | 0.25 |
| Plutus Star Holding Pte. Ltd. | 38,080,000 | 1,420 ⁽¹⁾ | 3.73 |
| New Public Shareholders | 20,000,000 | 5,000 | 25.00 |

Note:

- (1) The consideration was determined using the S\$:US\$ exchange rate as at the date of issuance and/or transfer of the Shares to the respective Shareholders.

GROUP STRUCTURE



GROUP STRUCTURE

Details of our subsidiaries are as follows:

| Name of company | Date of incorporation | Country of incorporation and principal place of business | Principal activities | Effective ownership (%) | Directors | Auditors |
|-----------------------------|-----------------------|--|---|-------------------------|--|------------------|
| Pacific Biosciences Pte Ltd | 11 May 2000 | Singapore | (a) Wholesale of medicinal and pharmaceutical products (western); and (b) Veterinary activities | 100.0% | (a) Mr. Lloyd Soong; and (b) Mr. Prashanth Palepu | RSM Chio Lim LLP |
| Pasture Pharma Pte Ltd | 28 June 1996 | Singapore | (a) Wholesale of medicinal and pharmaceutical products (western); and (b) Wholesale of medical, professional, scientific and precision equipment | 100.0% | (a) Mr. Lloyd Soong; and (b) Mr. Prashanth Palepu | RSM Chio Lim LLP |
| Pasture PharmaHub Pte. Ltd. | 9 September 2019 | Singapore | (a) Wholesale of medicinal and pharmaceutical products (western); and (b) Wholesale of medical, professional, scientific and precision equipment | 100.0% | (a) Mr. Lloyd Soong; and (b) Mr. Prashanth Palepu | RSM Chio Lim LLP |

Save as disclosed above, there are no other subsidiaries, subsidiary entities, associated companies and associated entities of our Group.

None of our subsidiaries are listed on any stock exchange.

SUMMARY OF OUR FINANCIAL INFORMATION

The following summary of our financial information should be read in conjunction with the full text of this Offer Document, including the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, the “Independent Auditor’s Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022” as set out in Appendix A to this Offer Document and the “Independent Auditor’s Review Report and the Interim Unaudited Consolidated Financial Statements for the Three-Month Period Ended 30 September 2022” as set out in Appendix B to this Offer Document.

A summary of the financial information of our Group in respect of FY2020, FY2021, FY2022, 1Q2022 and 1Q2023 is set out below:

RESULTS OF OPERATIONS OF OUR GROUP

OUR CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

| US\$'000 | Audited | | | Unaudited | |
|--|----------|---------|---------------------|-----------|---------|
| | FY2020 | FY2021 | FY2022 | 1Q2022 | 1Q2023 |
| Revenue | 16,622 | 13,170 | 15,131 | 5,173 | 2,140 |
| Cost of sales | (13,277) | (9,713) | (10,691) | (3,084) | (1,827) |
| Gross profit | 3,345 | 3,457 | 4,440 | 2,089 | 313 |
| Other income and gains | 573 | 174 | 140 | 24 | 25 |
| Marketing and distribution costs | (147) | (38) | (53) | (5) | (78) |
| Administrative expenses | (1,258) | (1,451) | (1,618) | (366) | (626) |
| Finance costs | (24) | (29) | (15) | (6) | (5) |
| Other losses | (57) | (256) | (34) | (32) | (3) |
| Profit/(loss) before tax | 2,432 | 1,857 | 2,860 | 1,704 | (374) |
| Income tax expense | (374) | (301) | (410) | (290) | – |
| Profit/(loss), net of tax and total comprehensive income/(loss) | 2,058 | 1,556 | 2,450 | 1,414 | (374) |
| Pre-Placement EPS/(LPS) (US cents) ⁽¹⁾ | 1.84 | 1.39 | 2.19 | 1.26 | (0.33) |
| Post-Placement EPS/(LPS) (US cents) ⁽²⁾ | 1.56 | 1.18 | 1.86 ⁽³⁾ | 1.07 | (0.28) |

Notes:

- (1) For comparative purposes, EPS/(LPS) for the Period Under Review has been computed based on the profit/(loss) net of tax and total comprehensive income/(loss) and our pre-Placement share capital of 112,000,000 Shares (after adjusting for the Share Split).
- (2) For comparative purposes, EPS adjusted for the Placement for the Period Under Review has been computed based on the profit/(loss) net of tax and total comprehensive income/(loss) and our post-Placement share capital of 132,000,000 Shares.
- (3) Had the Service Agreements (as set out in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document) been in effect since 1 July 2021, the profit net of tax and total comprehensive income and adjusted EPS based on our Company’s post-Placement share capital of 132,000,000 Shares for FY2022 would have been approximately US\$2.2 million and 1.69 US cents, respectively.

SUMMARY OF OUR FINANCIAL INFORMATION

OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | ← Audited → | ← Unaudited → | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------|
| | As at 30 June 2020 | As at 30 June 2021 | As at 30 June 2022 | As at 30 September 2022 |
| US\$'000 | | | | |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 1,398 | 1,335 | 1,673 | 1,691 |
| Right-of-use assets | 5 | — | 54 | 48 |
| Total non-current assets | 1,403 | 1,335 | 1,727 | 1,739 |
| Current assets | | | | |
| Inventories | 1,269 | 1,662 | 1,206 | 1,332 |
| Trade receivables | 6,788 | 497 | 444 | 616 |
| Other non-financial assets | 368 | 376 | 519 | 546 |
| Cash and cash equivalents | 2,504 | 3,210 | 3,676 | 3,189 |
| Total current assets | 10,929 | 5,745 | 5,845 | 5,683 |
| Total assets | 12,332 | 7,080 | 7,572 | 7,422 |
| EQUITY AND LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Loans and borrowings, non-current | 796 | 728 | 686 | 669 |
| Lease liabilities, non-current | — | 20 | 150 | 128 |
| Total non-current liabilities | 796 | 748 | 836 | 797 |
| Current liabilities | | | | |
| Income tax payable | 492 | 307 | 416 | 323 |
| Lease liabilities, current | 4 | 62 | 111 | 94 |
| Loans and borrowings, current | 75 | 66 | 65 | 65 |
| Other non-financial liabilities | 894 | 1,419 | 1,804 | 2,289 |
| Trade and other payables | 7,572 | 3,173 | 2,685 | 2,573 |
| Total current liabilities | 9,037 | 5,027 | 5,081 | 5,344 |
| Total liabilities | 9,833 | 5,775 | 5,917 | 6,141 |
| Equity | | | | |
| Share capital | 200 | 200 | 200 | 200 |
| Retained earnings | 2,299 | 1,105 | 1,455 | 1,081 |
| Total equity | 2,499 | 1,305 | 1,655 | 1,281 |
| Total equity and liabilities | 12,332 | 7,080 | 7,572 | 7,422 |
| NAV per Share (US cents) ⁽¹⁾ | 2.23 | 1.17 | 1.48 | 1.14 |

Note:

(1) The NAV per Share has been computed based on the NAV attributable to the owners of our Company and our pre-Placement share capital of 112,000,000 Shares (after adjusting for the Share Split).

SUMMARY OF OUR FINANCIAL INFORMATION

The following selected pro forma financial information should be read in conjunction with the full text of this Offer Document, including the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document and the “Independent Auditor’s Assurance Report and the Compilation of the Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 30 June 2022 and Three-Month Period Ended 30 September 2022” as set out in Appendix C to this Offer Document.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| US\$'000 | ← Unaudited pro forma → | |
|--|-------------------------|---------|
| | FY2022 | 1Q2023 |
| Revenue | 15,131 | 2,140 |
| Cost of sales | (10,691) | (1,827) |
| Gross profit | 4,440 | 313 |
| Other income and gains | 371 | 25 |
| Marketing and distribution costs | (53) | (78) |
| Administrative expenses | (1,587) | (618) |
| Finance costs | (4) | – |
| Other losses | (34) | (3) |
| Profit/(loss) before tax | 3,133 | (361) |
| Income tax expense | (410) | – |
| Profit/(loss), net of tax and total comprehensive income/(loss) | 2,723 | (361) |
| Pre-Placement EPS/(LPS) (US cents) ⁽¹⁾ | 2.43 | (0.32) |
| Post-Placement EPS/(LPS) (US cents) ⁽²⁾ | 2.06 ⁽³⁾ | (0.27) |

Notes:

- (1) For comparative purposes, EPS/(LPS) for the Period Under Review has been computed based on the profit/(loss) net of tax and total comprehensive income/(loss) and our pre-Placement share capital of 112,000,000 Shares (after adjusting for the Share Split).
- (2) For comparative purposes, EPS adjusted for the Placement for the Period Under Review has been computed based on the profit/(loss) net of tax and total comprehensive income/(loss) and our post-Placement share capital of 132,000,000 Shares.
- (3) Had the Service Agreements (as set out in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document) been in effect since 1 July 2021, the unaudited pro forma profit net of tax and total comprehensive income and adjusted EPS based on our Company’s post-Placement share capital of 132,000,000 Shares for FY2022 would have been approximately US\$2.5 million and 1.90 US cents, respectively.

SUMMARY OF OUR FINANCIAL INFORMATION

UNAUDITED *PRO FORMA* CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| US\$'000 | ← Unaudited <i>pro forma</i> → | |
|---|--------------------------------|-------------------------------|
| | As at 30 June 2022 | As at 30 September 2022 |
| ASSETS | | |
| <u>Non-current assets</u> | | |
| Property, plant and equipment | 411 | 437 |
| Right-of-use assets | 54 | 48 |
| Total non-current assets | 465 | 485 |
| <u>Current assets</u> | | |
| Inventories | 1,206 | 1,332 |
| Trade receivables | 444 | 616 |
| Other non-financial assets | 519 | 546 |
| Cash and cash equivalents | 4,397 | 3,882 |
| Total current assets | 6,566 | 6,376 |
| Total assets | 7,031 | 6,861 |
| EQUITY AND LIABILITIES | | |
| <u>Non-current liabilities</u> | | |
| Loans and borrowings, non-current | — | — |
| Lease liabilities, non-current | 150 | 128 |
| Total non-current liabilities | 150 | 128 |
| <u>Current liabilities</u> | | |
| Income tax payable | 416 | 323 |
| Lease liabilities, current | 111 | 94 |
| Loans and borrowings, current | — | — |
| Other non-financial liabilities | 1,804 | 2,289 |
| Trade and other payables | 2,685 | 2,573 |
| Total current liabilities | 5,016 | 5,279 |
| Total liabilities | 5,166 | 5,407 |
| <u>Equity</u> | | |
| Share capital | 200 | 200 |
| Retained earnings | 1,665 | 1,254 |
| Total equity | 1,865 | 1,454 |
| Total equity and liabilities | 7,031 | 6,861 |
| NAV per Share (US cents) ⁽¹⁾ | 1.67 | 1.30 |

Note:

(1) The NAV per Share has been computed based on the NAV attributable to the owners of our Company and our pre-Placement share capital of 112,000,000 Shares (after adjusting for the Share Split).

SUMMARY OF OUR FINANCIAL INFORMATION

BASIS OF PREPARATION

The unaudited *pro forma* consolidated financial information is expressed in US\$, and all values are rounded to the nearest thousand, except where otherwise stated.

The unaudited *pro forma* consolidated financial information of our Group has been compiled based on the “Independent Auditor’s Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022” as set out in Appendix A to this Offer Document, and the “Independent Auditor’s Review Report and the Interim Unaudited Consolidated Financial Statements for the Three-Month Period Ended 30 September 2022” as set out in Appendix B to this Offer Document.

The unaudited *pro forma* consolidated financial information of our Group, as set out in “Appendix C – Independent Auditor’s Assurance Report and the Compilation of the Unaudited *Pro Forma* Consolidated Financial Information for the Financial Year Ended 30 June 2022 and Three-Month Period Ended 30 September 2022” to this Offer Document, has been prepared for illustrative purposes, and is arrived at based on the following assumptions and after making certain adjustments to illustrate the effects of the following events or transactions:

- (a) the completion of the disposal of our property (“**Property Disposal**”) located at Block 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 (“**TradeHub Property**”) which took place on 31 March 2023 for a consideration of S\$2.1 million. Please refer to the section entitled “General Information on our Group – Material Properties and Fixed Assets – Properties owned by our Group” of this Offer Document for further information; and
- (b) the full repayment of our Group’s interest-bearing loan granted by UOB for the purposes of the commercial property loan which was secured by, among others, a mortgage over the TradeHub Property (“**UOB Banking Facility Repayment**”), from the sale proceeds of the Property Disposal, after deducting the estimated related costs. Please refer to the section entitled “Capitalisation and Indebtedness – Borrowings” of this Offer Document for further information.

In preparing our unaudited *pro forma* consolidated financial information, we have made a number of assumptions and adjustments. Consequently, the unaudited *pro forma* consolidated financial information of our Group, because of its nature, is not necessarily indicative of the financial performance, cash flows or the related effects on the financial position that would have been attained had the Property Disposal and/or the UOB Banking Facility Repayment actually occurred earlier or of the financial position that we may attain in the future. Due to the nature of the unaudited *pro forma* consolidated financial information, such unaudited *pro forma* consolidated financial information may not give a true picture of the actual financial position and performance of our Group. Save for the foregoing events, the effects of other events have not been considered.

This selected *pro forma* financial information has been derived from, and should be read in conjunction with, our unaudited *pro forma* consolidated financial information and the related notes thereto included in “Appendix C – Independent Auditor’s Assurance Report and the Compilation of the Unaudited *Pro Forma* Consolidated Financial Information for the Financial Year Ended 30 June 2022 and Three-Month Period Ended 30 September 2022” to this Offer Document.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following discussion of our business, financial condition and results of operations should be read in conjunction with the full text of this Offer Document, including the section entitled "Summary of our Financial Information" of this Offer Document, the "Independent Auditor's Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022" as set out in Appendix A to this Offer Document, the "Independent Auditor's Review Report and the Interim Unaudited Consolidated Financial Statements for the Three-Month Period Ended 30 September 2022" as set out in Appendix B to this Offer Document and the "Independent Auditor's Assurance Report and the Compilation of the Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 30 June 2022 and Three-Month Period Ended 30 September 2022" as set out in Appendix C to this Offer Document.

This discussion and analysis contains forward-looking statements which involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements. Factors that might cause our actual future results to differ from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled "Risk Factors" of this Offer Document.

OVERVIEW

Our Group is a pharmaceutical products and medical supplies and devices company based in Singapore. With over 26 years of track record, we have seen steady business growth and development and the expansion of our position globally, through the development of core competencies across the pharmaceutical products and medical supplies and devices industry, such as the development of a range of proprietary masks under our *Pasture Masks* brand, as well as other pharmaceutical products.

We are primarily a B2B and B2G goods and services provider, with our major customers being distributors of pharmaceutical products and medical supplies and devices, as well as governments and institutional customers such as hospitals, pharmacies and other healthcare institutions. Notwithstanding this, we are continuously looking to expand into new markets, including B2C markets such as the pet pharmaceuticals market. In this regard, we are constantly looking to innovate and develop new products and solutions that improve and maximise quality of life.

Please refer to the section entitled "General Information on our Group – Business Overview" of this Offer Document for more information on the operation and business activities of our Group.

FACTORS AFFECTING OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Revenue

During the Period Under Review, our Group's revenue decreased by approximately US\$3.4 million or 20.8%, from approximately US\$16.6 million in FY2020 to approximately US\$13.2 million in FY2021, increased by approximately US\$1.9 million or 14.9% from approximately US\$13.2 million in FY2021 to approximately US\$15.1 million in FY2022, and decreased by approximately US\$3.0 million or 58.6% from approximately US\$5.1 million in 1Q2022 to approximately US\$2.1 million in 1Q2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

During the Period Under Review, our revenue is primarily derived from our business segments, namely:

(a) Mask and Medical Supplies

We develop, market and sell our *Pasture Masks*, which are our own proprietary range of masks developed through collaboration with our contract manufacturers. Our *Pasture Masks* are classified into the following sub-categories: (i) surgical masks; (ii) N95 respirators; (iii) surgical N95 respirators; and (iv) N95 respirators for general public use. We also engage in the business of wholesale procurement of medical supplies and devices.

Mask and medical supplies contributed approximately 69.0%, 41.7%, 38.2%, 54.8% and 0.1% to our Group's revenue in FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

(b) Pharmaceutical Wholesale and Drop-Shipment

We engage in the wholesale procurement and transshipment of pharmaceutical and nutraceutical products. In particular, we specialise in cold-chain management services relating to temperature-sensitive pharmaceutical products, such as vaccines, oncology products and medical aesthetics products. We also engage in the wholesale of pet pharmaceutical and nutraceutical products. In addition, we provide drop-shipment services, which serves as back-end support of pharmaceutical wholesale supplies to our international clients' wholesale pharmacy businesses.

Pharmaceutical wholesale and drop-shipment contributed approximately 31.0%, 58.3%, 61.7%, 45.1% and 99.9% to our Group's revenue in FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

(c) Other Services

We also seek to develop new lines of products and services and have expanded into the following complementary services within the pharmaceutical products and medical supplies and devices industry:

- (i) **Hart-S ODS:** We market and sell *Hart-S ODS*, which is our own range of ODS (or oral disintegrating strips) designed to provide a novel mode of medicinal administration for sildenafil, a drug mainly used to treat erectile dysfunction.
- (ii) **furlife:** Building on our Group's experience in the wholesale of pet pharmaceutical and nutraceutical products, we introduced *furlife*, which is a mobile application intended to provide a comprehensive suite of pet health and nutrition services for pet owners, including a digital health tracker, an online marketplace for pet pharmaceuticals and nutraceuticals, and access to various pet health services.

Other services contributed approximately 0.1% to our Group's revenue in both FY2022 and 1Q2022. There was no revenue or insignificant contribution for FY2020, FY2021 and 1Q2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Breakdown by business segments

The breakdown of our revenue based on business segments is set out in the table below:

| | FY2020 | | FY2021 | | FY2022 | | 1Q2022 | | 1Q2023 | |
|--|---------------|--------------|---------------|---------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| | US\$'000 | % | US\$'000 | % | US\$'000 | % | US\$'000 | % | US\$'000 | % |
| Mask and medical supplies | 11,470 | 69.0 | 5,495 | 41.7 | 5,773 | 38.2 | 2,835 | 54.8 | 3 | 0.1 |
| Pharmaceutical wholesale and drop-shipment | 5,152 | 31.0 | 7,672 | 58.3 | 9,337 | 61.7 | 2,334 | 45.1 | 2,137 | 99.9 |
| Other services | – | – | 3 | n.m. ⁽¹⁾ | 21 | 0.1 | 4 | 0.1 | – | – |
| Total revenue | 16,622 | 100.0 | 13,170 | 100.0 | 15,131 | 100.0 | 5,173 | 100.0 | 2,140 | 100.0 |

Note:

(1) Not meaningful.

Mask and medical supplies segment

The breakdown of revenue based on the types of products in the mask and medical supplies segment and the average selling price (“ASP”) during the Period Under Review are set out in the table below:

| | FY2020 | | FY2021 | | FY2022 | | 1Q2022 | | 1Q2023 | |
|--|---------------------|---------------------------|---------------------|---------------------------|---------------------|---------------------------|---------------------|---------------------------|---------------------|---------------------------|
| | Revenue US\$'000 | ASP US\$ | Revenue US\$'000 | ASP US\$ | Revenue US\$'000 | ASP US\$ | Revenue US\$'000 | ASP US\$ | Revenue US\$'000 | ASP US\$ |
| N95 respirators ⁽¹⁾ | 1,903 | 0.85 | 5,138 | 1.33 | 4,875 | 0.67 | 2,803 | 0.66 | 3 | 0.39 |
| Non-N95 respirators and other masks ⁽²⁾ | 7,764 | 0.08 | 10 | 0.24 | 543 | 0.17 | – | – | – | – |
| Medical supplies and other services ⁽³⁾ | 1,803 | n.m. ⁽⁴⁾ | 347 | n.m. ⁽⁴⁾ | 355 | n.m. ⁽⁴⁾ | 32 | n.m. ⁽⁴⁾ | – | – |
| Total | 11,470 | n.m.⁽⁴⁾ | 5,495 | n.m.⁽⁴⁾ | 5,773 | n.m.⁽⁴⁾ | 2,835 | n.m.⁽⁴⁾ | 3 | n.m.⁽⁴⁾ |

Notes:

- (1) The increase in the ASP of N95 respirators in FY2021 was mainly due to the higher selling price negotiated with our customers to meet demand during the COVID-19 pandemic. With the stabilisation of the COVID-19 pandemic, the demand of N95 respirators decreased which resulted in a decrease in the ASP to approximately US\$0.67 and US\$0.39 for FY2022 and 1Q2023, respectively.
- (2) The increase in the ASP of non-N95 respirators and other masks during the Period Under Review was mainly due to the high demand of masks and supply constraints during the COVID-19 pandemic. Our Group recorded significant revenue derived from the sale of non-N95 respirators and other masks in FY2020 mainly due to large one-off orders from Hong Kong, Singapore and Canada as a result of the high demand for masks during the midst of the COVID-19 pandemic. Such orders did not recur in FY2021 due to supply constraints, while the revenue in FY2022 was mainly derived from balance orders received in FY2020.
- (3) Revenue derived comprises a one-off order for the sale of medical supplies in FY2020 and freight income.
- (4) Not meaningful.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our Group sold approximately 2.2 million units, 3.9 million units, 7.3 million units, 4.2 million units and 8,000 units of N95 respirators at an ASP of approximately US\$0.85, US\$1.33, US\$0.67, US\$0.66 and US\$0.39 for FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

Our Group sold approximately 99.7 million units, 43,000 units and 3.3 million units of non-N95 respirators and other masks at an ASP of approximately US\$0.08, US\$0.24, and US\$0.17 for FY2020, FY2021 and FY2022, respectively.

Revenue from the sale of medical supplies during the Period Under Review was attributable to ad-hoc orders received from customers to source for specified products within a price range. As at the Latest Practicable Date, we provide our customers with access to a portfolio of over 1,200 medical supplies and devices. Accordingly, it is not meaningful to include the total quantity sold and the ASP.

Pharmaceutical wholesale and drop-shipment segment

For our pharmaceutical wholesale and drop-shipment segment, we engage in the wholesale procurement and drop-shipment of pharmaceutical and nutraceutical products and provision of cold-chain management and drop-shipment services, which serves as back-end support of pharmaceutical wholesale supplies to our customers. We receive orders from customers for pharmaceutical and nutraceutical products within our wholesale portfolio with various pricing and are also able to source niche or specialised pharmaceutical products for our customers as and when requested. As at the Latest Practicable Date, we supply over 1,000 third-party pharmaceutical products to our customers.

Breakdown by geographical markets

The breakdown of our revenue based on geographical markets is set out in the table below:

| | FY2020 | | FY2021 | | FY2022 | | 1Q2022 | | 1Q2023 | |
|--------------------------|--------------------|--------------|----------------------|--------------|------------------|------------------|--------------|--------------|--------------|--------------|
| | US\$'000 | % | US\$'000 | % | US\$'000 | % | US\$'000 | % | US\$'000 | % |
| Japan ⁽¹⁾ | 813 | 4.9 | 4,820 | 36.6 | 6,377 | 42.1 | 1,458 | 28.2 | 1,615 | 75.5 |
| Malaysia ⁽²⁾ | 427 | 2.6 | 1,268 | 9.6 | 4,252 | 28.1 | 2,677 | 51.7 | — | — |
| Hong Kong ⁽³⁾ | 7,654 | 46.0 | 1,313 | 10.0 | 1,899 | 12.6 | 282 | 5.5 | 235 | 11.0 |
| Canada ⁽³⁾ | 2,723 | 16.4 | 1,100 | 8.4 | 957 | 6.3 | 253 | 4.9 | 136 | 6.4 |
| Singapore ⁽³⁾ | 2,986 | 18.0 | 635 | 4.8 | 572 | 3.8 | 208 | 4.0 | 82 | 3.8 |
| United Kingdom | 412 ⁽⁴⁾ | 2.5 | 2,871 ⁽⁴⁾ | 21.8 | — ⁽⁵⁾ | — ⁽⁵⁾ | — | — | — | — |
| Others | 1,607 | 9.6 | 1,163 | 8.8 | 1,074 | 7.1 | 295 | 5.7 | 72 | 3.3 |
| Total revenue | 16,622 | 100.0 | 13,170 | 100.0 | 15,131 | 100.0 | 5,173 | 100.0 | 2,140 | 100.0 |

Notes:

- (1) Our Group recorded a significant increase in the revenue derived from Japan, which was mainly contributed by one of our major customers, Bluesky Inc. ("Bluesky"). As we commenced the sale of pharmaceutical products to Bluesky towards the end of FY2020, the contribution to our Group's revenue from Bluesky increased from 1.1% of our Group's total revenue in FY2020 to 34.4% and 39.6% of our Group's total revenue in FY2021 and FY2022, respectively. For 1Q2023, the amount of revenue from our customers in Japan increased slightly from approximately US\$1.5 million in 1Q2022 to approximately US\$1.6 million in 1Q2023, but such amount represented a substantially higher percentage of our Group's total revenue mainly due to the decrease in revenue from customers from the mask and medical supplies segment.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (2) Our Group recorded a significant increase in the revenue derived from Malaysia in FY2021 mainly attributable to a contract entered into with Adventa Healthcare Sdn Bhd (formerly known as Sun Healthcare Sdn Bhd) (the “**Adventa Contract**”) in May 2021 to supply masks for a two (2)-year period. The increase in revenue in FY2022 was mainly due to the sale of masks for a full financial year pursuant to the Adventa Contract.
- (3) Our Group recorded significant revenue derived from Hong Kong, Canada and Singapore in FY2020 mainly due to large one-off orders for masks as a result of the high demand for masks during the midst of the COVID-19 pandemic. Such orders did not recur in FY2021 due to supply constraints, while the revenue in FY2021 and FY2022 was mainly derived from balance orders received in FY2020.
- (4) Include sales to McKesson Global Sourcing Ltd, which is an entity of the McKesson Corporation Group incorporated in the United Kingdom.
- (5) Insignificant as the revenue derived from the United Kingdom amounted to less than US\$1,000.

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third-parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. For practical expediency, the effects of any significant financing component is not adjusted if the payment for the good or service will be within one (1) year.

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

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

Agent versus principal considerations – Judgement is required in assessing whether the entity acts as an agent or as a principal in its major contractual arrangements. As a result of this assessment, our management has concluded that for certain contracts, it is appropriate to adopt agency accounting. For such transactions, our management has concluded that the entity does not control the goods or services being provided to the customer. Our Group engages in the wholesale of third-party pharmaceutical products to distributors and suppliers of pharmaceutical products. This includes procurement, warehousing and delivery of these pharmaceutical products to the customers. In most situations where our Group controls the goods before they are transferred to the customers, our Group acts as a principal and recognises the revenue, being the gross amount of consideration to which it expects to be entitled in exchange for the specified goods transferred. While our Group's contractual obligation is to provide the service of delivering the products to our customers, our Group acts as an agent as it does not control the goods before they are transferred to the customers. The fees which our Group expects to be entitled in exchange for the service of delivering the specified goods to our customers are recognised as revenue generated from the rendering of services.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Product return – Our customers and distributors have the right to assert a claim against our Group regarding the quality of the goods (spoilage and damaged goods included) for one week (i.e. seven (7) days), beginning from the date of unloading the goods at the designated unloading location, if the carrier is deemed to be not at fault. The claim is sent by the customer or distributor to our Group via registered mail, together with a copy of the acceptance report and other documents justifying the claim. All critical and non-critical defects that fall within the classifications set out by the HSA are required to be reported to the HSA in accordance with the HSA's *Guidance on Product Defect Reporting and Recall Procedures for Therapeutic Products and Cells, Tissue and Gene Therapy Products*.

Product recall – The process of a product recall is typically initiated by the manufacturer of the relevant product and is conducted in accordance with the standard operating procedures set out in the HSA's *Guidance on Product Defect Reporting and Recall Procedures for Therapeutic Products and Cells, Tissue and Gene Therapy Products*.

During the Period Under Review, our Group has not encountered any returns of our products and no variable consideration has been recognised in our Group's financial statements for the Period Under Review. Accordingly, there was no material adverse impact to our Group's financials during the Period Under Review.

The major factors that affect our Group's revenue include:

- (a) our ability to retain existing customers through maintaining good working relationships with them, in particular our major customers;
- (b) our ability to expand our customer base by acquiring new customers and/or businesses, developing our distribution channels and expanding into new markets;
- (c) our ability to compete with new market entrants and existing competitors as we compete on key attributes such as competitive pricing and better service support;
- (d) our ability to innovate and enhance the quality of our products in order to meet the changing needs and expectations of our customers;
- (e) our ability to source and secure the products that are demanded and required by our customers; and
- (f) changes in government policies, laws and regulations relating to the industry and jurisdictions that our Group is selling our products to.

Please refer to the sections entitled "Risk Factors" and "General Information on our Group – Prospects and Trends" of this Offer Document for more information on the above factors and other factors that may affect our Group's revenue.

Cost of sales

Cost of sales amounted to approximately US\$13.3 million, US\$9.7 million, US\$10.7 million, US\$3.1 million and US\$1.8 million and accounted for approximately 79.9%, 73.8%, 70.7%, 59.6% and 85.4% of our total revenue for FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our Group's cost of sales comprised mainly the following items:

| | FY2020 | | FY2021 | | FY2022 | | 1Q2022 | | 1Q2023 | |
|----------------------------|---------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| | US\$'000 | % | US\$'000 | % | US\$'000 | % | US\$'000 | % | US\$'000 | % |
| Purchase costs | 12,624 | 95.1 | 9,369 | 96.4 | 10,016 | 93.7 | 2,974 | 96.4 | 1,752 | 95.9 |
| Freight charges | 623 | 4.7 | 297 | 3.1 | 615 | 5.8 | 97 | 3.2 | 62 | 3.4 |
| Packing charges | 30 | 0.2 | 47 | 0.5 | 60 | 0.5 | 13 | 0.4 | 13 | 0.7 |
| Total cost of sales | 13,277 | 100.0 | 9,713 | 100.0 | 10,691 | 100.0 | 3,084 | 100.0 | 1,827 | 100.0 |

(a) Purchase costs

Purchase costs mainly relate to costs incurred by our Group for the purchasing of pharmaceutical products and medical supplies and devices from our suppliers and manufacturing of masks from our contract manufacturers.

These costs accounted for approximately 95.1%, 96.4%, 93.7%, 96.4% and 95.9% of our Group's cost of sales in FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

(b) Freight charges

Freight charges mainly relate to costs incurred by our Group for the shipping and logistics expenses for our operations.

These costs accounted for approximately 4.7%, 3.1%, 5.8%, 3.2% and 3.4% of our Group's cost of sales in FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

(c) Packing charges

Packing charges mainly relate to costs incurred by our Group in relation to the packaging materials.

These costs accounted for approximately 0.2%, 0.5%, 0.5%, 0.4% and 0.7% of our Group's cost of sales in FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

The main factors affecting the cost of sales include:

- (a) the fluctuation in costs of the products that we purchase arising from demand and supply conditions;
- (b) our ability to manage our costs and negotiate for lower prices from our suppliers; and
- (c) changes in government policy, laws and regulations relating to the industry laws.

Gross profit and gross profit margin

Gross profit is determined after deducting cost of sales from our Group's revenue. Accordingly, the determinants of gross profit are revenue generated and cost of sales.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The gross profit margin of our Group was approximately 20.1%, 26.2%, 29.3%, 40.4% and 14.6% for FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

The breakdown of our gross profit and gross profit margin by business segments for the Period Under Review is as follows:

Gross profit

| | FY2020 | | FY2021 | | FY2022 | | 1Q2022 | | 1Q2023 | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|
| | US\$'000 | % | US\$'000 | % | US\$'000 | % | US\$'000 | % | US\$'000 | % |
| Mask and medical supplies | 2,023 | 60.5 | 2,147 | 62.1 | 3,006 | 67.7 | 1,769 | 84.7 | 1 | 0.3 |
| Pharmaceutical wholesale and drop-shipment | 1,322 | 39.5 | 1,309 | 37.8 | 1,426 | 32.1 | 319 | 15.2 | 312 | 99.7 |
| Other services | – | – | 1 | 0.1 | 8 | 0.2 | 1 | 0.1 | – | – |
| Total | 3,345 | 100.0 | 3,457 | 100.0 | 4,440 | 100.0 | 2,089 | 100.0 | 313 | 100.0 |

Gross profit margin

| % | FY2020 | FY2021 | FY2022 | 1Q2022 | 1Q2023 |
|--|--------|--------|--------|--------|---------------------|
| Mask and medical supplies | 17.6 | 39.1 | 52.1 | 62.4 | n.m. ⁽¹⁾ |
| Pharmaceutical wholesale and drop-shipment | 25.7 | 17.1 | 15.3 | 13.6 | 14.6 |
| Other services | – | 33.3 | 38.1 | 25.0 | – |

Note:

(1) Not meaningful.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The breakdown of our gross profit and gross profit margin by geographical markets for the Period Under Review is as follows:

Gross profit

| | FY2020 | | FY2021 | | FY2022 | | 1Q2022 | | 1Q2023 | |
|-------------------------------|--------------|--------------|---------------------|--------------|------------------|------------------|--------------|--------------|---------------------|--------------|
| | US\$'000 | % | US\$'000 | % | US\$'000 | % | US\$'000 | % | US\$'000 | % |
| Japan ⁽¹⁾ | 296 | 8.9 | 498 | 14.4 | 671 | 15.1 | 156 | 7.5 | 164 | 52.4 |
| Malaysia ⁽²⁾ | 142 | 4.2 | 801 | 23.2 | 2,633 | 59.3 | 1,657 | 79.3 | – | – |
| Hong Kong ⁽³⁾ | 757 | 22.6 | 455 | 13.2 | 632 | 14.2 | 104 | 5.0 | 96 | 30.7 |
| Canada ⁽⁴⁾ | 1,064 | 31.8 | 410 | 11.8 | 317 | 7.2 | 66 | 3.2 | 79 | 25.2 |
| Singapore ⁽⁵⁾ | 725 | 21.7 | 166 | 4.8 | 51 | 1.1 | 30 | 1.4 | (8) | (2.5) |
| United Kingdom ⁽⁶⁾ | 113 | 3.4 | 1,178 | 34.1 | – ⁽⁹⁾ | – ⁽⁹⁾ | – | – | – | – |
| Others | 248 | 7.4 | (51) ⁽⁷⁾ | (1.5) | 136 | 3.1 | 76 | 3.6 | (18) ⁽⁸⁾ | (5.8) |
| Total | 3,345 | 100.0 | 3,457 | 100.0 | 4,440 | 100.0 | 2,089 | 100.0 | 313 | 100.0 |

Gross profit margin

| % | FY2020 | FY2021 | FY2022 | 1Q2022 | 1Q2023 |
|-------------------------------|--------|----------------------|------------------|--------|-----------------------|
| Japan ⁽¹⁾ | 36.4 | 10.3 | 10.5 | 10.7 | 10.2 |
| Malaysia ⁽²⁾ | 33.2 | 63.2 | 61.9 | 61.9 | – |
| Hong Kong ⁽³⁾ | 9.9 | 34.6 | 33.3 | 36.9 | 40.9 |
| Canada ⁽⁴⁾ | 39.1 | 37.2 | 33.2 | 26.1 | 58.1 |
| Singapore ⁽⁵⁾ | 24.3 | 26.0 | 8.9 | 14.4 | (9.8) |
| United Kingdom ⁽⁶⁾ | 27.5 | 41.0 | – ⁽⁹⁾ | – | – |
| Others | 15.4 | (4.4) ⁽⁷⁾ | 12.6 | 26.3 | (25.7) ⁽⁸⁾ |

Notes:

- (1) The transactions with our customers in Japan largely consist of the wholesale of pharmaceutical products and the gross profit margin derived from this business segment is generally lower than the mask and medical supplies segment. Our Group's gross profits derived from Japan increased correspondingly with the increase in revenue derived from these customers. Gross profit margin was higher in FY2020 as our Group transacted with Japanese customers with a smaller volume of transactions at a higher gross margin. Gross profit margin stabilised since FY2021 due to the commencement of transactions with Bluesky which had contributed significantly to our Group's revenue. Our Group supplied pharmaceutical products to Bluesky at a lower gross margin, in exchange for constant and large volume of orders.
- (2) Our Group recorded a significant increase in the gross profit from Malaysia since FY2021, which was mainly attributable to the Adventa Contract entered in May 2021 to supply masks for a two (2)-year period. Our gross profit margin remained consistent in FY2022. Our gross profit decreased in 1Q2023 mainly due to there being no orders received from Adventa, as a substantial amount of the orders committed under the Adventa Contract had already been fulfilled in the prior two (2) financial years.
- (3) Our Group recorded significant gross profits derived from Hong Kong in FY2021 mainly due to a large one-off order for our masks in FY2021 as a result of the high demand for masks in Hong Kong during the COVID-19 pandemic. Such order did not recur subsequently, while the revenue in FY2022 and 1Q2023 was mainly derived from balance orders arising from FY2021 as well as the wholesale of pharmaceutical products.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (4) Our Group recorded significant gross profits derived from Canada in FY2020 mainly due to a large one-off order for our masks in FY2020 during the start of the COVID-19 pandemic in FY2020. Such order did not recur in FY2021 due to supply constraints, while the transactions which took place in FY2021 and FY2022 were mainly derived from balance orders received in FY2020. Gross margin remained consistent from FY2020 to FY2022 and the significant increase in 1Q2023 was attributed to new sales from online pharmacy and drop-shipment customers in Canada.
- (5) Our Group recorded significant gross profits derived from Singapore in FY2020 mainly due to a large one-off order for our masks in FY2020 during the start of the COVID-19 pandemic in FY2020. Such order did not recur subsequently and therefore our gross profit and gross profit margin decreased significantly in FY2022. The negative gross profit and negative gross profit margin in 1Q2023 was mainly due to freight charges incurred in Singapore for products that were subsequently sold to our overseas customers, while there was minimal revenue generated from customers from Singapore during the period.
- (6) Our Group recorded significant gross profits derived from the United Kingdom in FY2021 mainly due to the one-off order of our N95 respirators from McKesson Global Sourcing Ltd, which is the procurement arm of the McKesson Group, at a higher selling price to meet the spike in demand for N95 respirators in the U.S. during the COVID-19 pandemic. No order was received in FY2022 as a result of overstock in the local market after the easing of COVID-19-related restrictions, including regulations and guidelines relating to the wearing of masks.
- (7) Our Group recorded negative gross profit and gross profit margin from sales to other countries in FY2021 mainly due to the sale of one batch of masks which had a significantly higher cost, as the order was placed by our Group at the peak of the COVID-19 pandemic with our contract manufacturer.
- (8) The negative gross profit and negative gross profit margin in 1Q2023 was mainly due to purchase costs incurred from other countries, while there was minimal revenue generated from our customers from other countries in 1Q2023.
- (9) Insignificant as the gross profit derived from the United Kingdom amounted to less than US\$1,000.

Other income and gains

Other income and gains comprise mainly interest income, foreign exchange transaction gains, government grants (including government grants from job support scheme), gain from disposal of investment property and gain from disposal of property, plant and equipment.

Other income and gains accounted for approximately US\$0.6 million, US\$0.2 million, US\$0.1 million, US\$24,000 and US\$25,000 or approximately 3.4%, 1.3%, 0.9%, 0.5% and 1.2% of our Group's revenue for FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

Marketing and distribution costs

Marketing and distribution costs comprise mainly marketing expenses, trade subscriptions and licenses expenses.

Marketing and distribution costs accounted for approximately US\$147,000, US\$38,000, US\$53,000, US\$5,000 and US\$78,000 or approximately 0.9%, 0.3%, 0.4%, 0.1% and 3.6% of our Group's revenue for FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

Administrative expenses

Administrative expenses comprise mainly depreciation of property, plant and equipment and employee's benefit expenses such as short-term employee benefits expense, contributions to defined contribution plan and other employee benefits expense.

Administrative expenses accounted for approximately US\$1.3 million, US\$1.5 million, US\$1.6 million, US\$0.4 million and US\$0.6 million or approximately 7.6%, 11.0%, 10.7%, 7.1% and 29.3% of our Group's revenue for FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Finance costs

Finance costs comprise mainly interest expenses relating to bank borrowings and lease liabilities.

Finance costs accounted for approximately US\$24,000, US\$29,000, US\$15,000, US\$6,000 and US\$5,000 or approximately 0.1%, 0.2%, 0.1%, 0.1% and 0.2% of our Group's revenue for FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

Other losses

Other losses comprise mainly impairment allowance on property, plant and equipment, impairment allowance on right-of-use assets, inventories written-off and allowance for write-down of inventories.

Other losses accounted for approximately US\$57,000, US\$256,000, US\$34,000, US\$32,000 and US\$3,000 or approximately 0.3%, 1.9%, 0.2%, 0.6% and 0.1% of our Group's revenue for FY2020, FY2021, FY2022, 1Q2022 and 1Q2023, respectively.

Income tax expense

Our Group is subject to income tax at the applicable statutory tax rates in Singapore. Income tax expense is expected to comprise current tax expense and deferred tax. Current tax expense is expected tax payable on the taxable income. Deferred tax will be estimated using the liability method on temporary differences and other tax credits. Deferred tax assets will only be recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unutilised tax losses can be utilised.

During the Period Under Review, the applicable Singapore tax rate was 17.0%. Please refer to "Appendix H – Description of Singapore Law Relating to Taxation" to this Offer Document for further details on the taxation in Singapore.

Our income tax expense and the effective income tax rates are set out below:

| | FY2020 | FY2021 | FY2022 | 1Q2022 | 1Q2023 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Income tax expense (US\$'000) | 374 | 301 | 410 | 290 | – |
| Profit/(loss) before tax (US\$'000) | 2,432 | 1,857 | 2,860 | 1,704 | (374) |
| Effective tax rate (%) | 15.4 | 16.2 | 14.3 | 17.0 | – |

Our Group has historically experienced lower effective tax rates compared to the applicable Singapore tax rates mainly due to certain income that was not subject to taxation and stepped-up income exemption. The stepped-up income exemption refers to the partial tax exemption scheme. All companies, including companies limited by guarantee, are eligible for partial tax exemption under Section 43 of the Income Tax Act 1947 of Singapore, unless they are claiming the tax exemption for new start-up companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

From the year of assessment 2020 onwards, our Group has been eligible to apply for a 75.0% exemption on the first S\$10,000 of normal chargeable income and a further 50.0% exemption on the next S\$190,000 of normal chargeable income. The maximum exemption for each year of assessment is S\$102,500. Normal chargeable income refers to income to be taxed at the prevailing corporate income tax rate of 17.0%.

REVIEW OF RESULTS OF OPERATIONS

Reconciliation of the unaudited *pro forma* consolidated statement of profit or loss and other comprehensive income for FY2022

In FY2022, our Group recorded profit before tax of approximately US\$2.9 million and *pro forma* profit before tax of approximately US\$3.1 million. The increase in profit before tax of approximately US\$0.2 million was mainly due to (a) increase in other income and gains of approximately US\$0.2 million in relation to the gains from the Property Disposal which was completed in March 2023; (b) decrease in depreciation expenses following the Property Disposal; and (c) decrease in interest expenses following the full repayment of the loan in relation to the TradeHub Property.

Reconciliation of the unaudited *pro forma* consolidated statement of profit or loss and other comprehensive income for 1Q2023

In 1Q2023, our Group recorded loss before tax of approximately US\$374,000 and *pro forma* loss before tax of approximately US\$361,000. The slight decrease in loss before tax was mainly due to (a) decrease in depreciation expenses following the Property Disposal; and (b) decrease in interest expenses following the full repayment of the loan relating to the TradeHub Property.

FY2020 vs FY2021

Revenue

Revenue decreased by approximately US\$3.4 million or 20.8% from approximately US\$16.6 million in FY2020 to approximately US\$13.2 million in FY2021 mainly due to a decrease in sales of masks and other medical supplies of approximately US\$6.0 million as a result of (a) export restrictions on masks implemented by certain countries where our Group's contract manufacturers were based during the COVID-19 pandemic; and (b) a significantly reduced demand for masks in FY2021 due to the easing of COVID-19 restrictions globally.

The decrease was partially offset by an increase in revenue of approximately US\$2.5 million from our pharmaceutical wholesale and drop-shipment segment mainly due to an increase in sale of pharmaceutical products and related logistics and delivery services due to increased demand from our existing and new customers.

Cost of sales

Cost of sales decreased by approximately US\$3.6 million or 26.8% from approximately US\$13.3 million in FY2020 to approximately US\$9.7 million in FY2021. The decrease was mainly due to (a) the decrease in the purchase cost of masks and medical supplies of approximately US\$3.3 million; and (b) the decrease in freight charges of approximately US\$0.3 million, which was in line with the decrease in revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Gross profit and gross profit margin

Gross profit increased by approximately US\$0.1 million or 3.3% from approximately US\$3.4 million in FY2020 to approximately US\$3.5 million in FY2021 mainly due to an increase in gross profit margin from approximately 20.1% in FY2020 to approximately 26.2% in FY2021. This was mainly due to the increase in the gross profit margin from our mask and medical supplies segment mainly due to higher sales of our N95 respirators in FY2021, which has a higher gross profit margin as compared to FY2020 where we sold a significant amount of mask models with a lower gross profit margin, to meet the strong demand arising from mask wearing requirements and guidelines that were widely implemented in various countries to curb the spread of the COVID-19 pandemic. This was partially offset by a decrease in the margin from our pharmaceutical wholesale and drop-shipment segment due to an increase in the cost of certain pharmaceutical products.

Other income and gains

Other income and gains decreased by approximately US\$0.4 million or 69.6% from approximately US\$0.6 million in FY2020 to approximately US\$0.2 million in FY2021 mainly due to a gain from disposal of investment property consisting of office and warehouse units situated at 8 Boon Lay Way #04-01, Singapore 609964 of approximately US\$0.4 million in FY2020, which did not recur in FY2021. The decrease was partially offset by an increase in government grant income of approximately US\$53,000.

Marketing and distribution costs

Marketing and distribution costs decreased by approximately US\$109,000 or 74.1% from approximately US\$147,000 in FY2020 to approximately US\$38,000 in FY2021 mainly due to the decrease in mask-related expenses attributable to one-off testing fees, product submission fees and registration fees which did not recur in FY2021.

Administrative expenses

Administrative expenses increased by approximately US\$0.2 million or 15.3% from approximately US\$1.3 million in FY2020 to approximately US\$1.5 million in FY2021. This was mainly due to an increase in employee benefits expense of approximately US\$0.1 million mainly due to a salary increment.

Finance costs

Finance costs remained relatively stable from FY2020 to FY2021.

Other losses

Other losses increased by approximately US\$0.2 million or 349.1% from approximately US\$57,000 in FY2020 to approximately US\$0.3 million in FY2021. This was mainly due to an increase in (a) allowance for inventories write-down of approximately US\$0.1 million due to higher provision recognised for products that were close to expiry; and (b) impairment allowance of approximately US\$0.1 million on property, plant and equipment and right-of-use assets recognised under Pacific Biosciences as the entity was loss-making and recorded a net liability position.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Profit before tax

Profit before tax decreased by approximately US\$0.5 million or 23.6% from approximately US\$2.4 million in FY2020 to approximately US\$1.9 million in FY2021. This was mainly due to (a) a decrease in other income and gains of approximately US\$0.4 million; (b) an increase in administrative expenses of approximately US\$0.2 million; and (c) an increase in other losses of approximately US\$0.2 million.

This was partially offset by an increase in gross profit of approximately US\$0.1 million and a decrease in marketing and distribution costs of approximately US\$0.1 million.

Income tax expense

Income tax expense decreased by approximately US\$0.1 million or 19.5% from approximately US\$0.4 million in FY2020 to approximately US\$0.3 million in FY2021 mainly due to lower taxable income generated by our Group in FY2021.

FY2021 vs FY2022

Revenue

Revenue increased by approximately US\$1.9 million or 14.9% from approximately US\$13.2 million in FY2021 to approximately US\$15.1 million in FY2022 mainly due to the increase in (a) revenue from sales of masks and other medical supplies by approximately US\$0.3 million as the restrictive measures that were disrupting supply chains were gradually eased, which caused a growth in demand within the healthcare and government sectors, as evidenced by the increase in total number of masks sold from FY2021 to FY2022; and (b) revenue from our wholesale and drop-shipment segment by approximately US\$1.6 million, mainly attributable to the easing of the border controls globally that resulted in an increase in our wholesale trading and logistic activities.

Cost of sales

Cost of sales increased by approximately US\$1.0 million or 10.1% from approximately US\$9.7 million in FY2021 to approximately US\$10.7 million in FY2022. The increase was mainly due to (a) the increase in the cost of other medical supplies and pharmaceutical products of approximately US\$0.6 million; and (b) the increase in freight charges of approximately US\$0.3 million as a result of an increase in export wholesale trading and logistic activities, which were in line with the increase in revenue.

Gross profit and gross profit margin

Gross profit increased by approximately US\$0.9 million or 28.4% from approximately US\$3.5 million in FY2021 to approximately US\$4.4 million in FY2022 mainly due to an increase in gross profit margin from approximately 26.2% in FY2021 to approximately 29.3% in FY2022, where the increase in revenue exceeded the increase in cost. This was mainly due to higher gross profit margin from our mask and medical supplies segment due to increased sales volume of our N95 respirators which our Group was able to sell at a higher margin. This was partially offset by a decrease in the margin from our pharmaceutical wholesale and drop-shipment segment due to an increase in the cost of certain pharmaceutical products.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other income and gains

Other income and gains decreased slightly by approximately US\$34,000 or 19.5% from approximately US\$174,000 in FY2021 to approximately US\$140,000 in FY2022 mainly due to (a) the decrease in government grant income (including government grants from job support scheme) of approximately US\$24,000; and (b) the decrease in foreign exchange transaction gain of approximately US\$47,000 in FY2022.

The decrease was partially offset by an increase in gain from disposal of property, plant and equipment of US\$35,000 in relation to the sale of a used motor vehicle.

Marketing and distribution costs

Marketing and distribution costs increased by approximately US\$15,000 or 39.5% from approximately US\$38,000 in FY2021 to approximately US\$53,000 in FY2022 mainly due to the increase in mask-related expenses in relation to the costs incurred for obtaining the Halal certification for certain models of our N95 respirators and surgical N95 respirators and other marketing expenses as a result of the easing of travel restrictions.

Administrative expenses

Administrative expenses increased by approximately US\$0.1 million or 11.5% from approximately US\$1.5 million in FY2021 to approximately US\$1.6 million in FY2022. This was mainly due to an increase of approximately US\$0.1 million in short-term employee benefits expenses due to a salary increment.

Other losses

Other losses decreased by approximately US\$0.2 million or 86.7% from approximately US\$0.3 million in FY2021 to approximately US\$34,000 in FY2022. This was mainly due to the decrease in impairment allowance on property, plant and equipment and right-of-use assets of approximately US\$0.1 million and the decrease in allowance for write-down of inventories of approximately US\$0.1 million as no additional impairment allowance was recognised in FY2022.

Finance costs

Finance costs decreased by approximately US\$14,000 or 48.3% from approximately US\$29,000 in FY2021 to approximately US\$15,000 in FY2022. This was mainly due to the decrease in interest on loans and borrowings as a result of a revision in the interest rate of the secured bank loans effective from April 2021.

Profit before tax

Profit before tax increased by approximately US\$1.0 million or 54.0% from approximately US\$1.9 million in FY2021 to approximately US\$2.9 million in FY2022. This was mainly due to an increase in gross profit of approximately US\$1.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Income tax expense

Income tax expense increased by approximately US\$0.1 million or 36.2% from approximately US\$0.3 million in FY2021 to approximately US\$0.4 million in FY2022 mainly due to higher taxable income generated by our Group in FY2022.

1Q2022 vs 1Q2023

Revenue

Revenue decreased by approximately US\$3.0 million or 58.6% from approximately US\$5.1 million in 1Q2022 to approximately US\$2.1 million in 1Q2023 mainly due to the decrease in (a) revenue from sales of masks and other medical supplies by approximately US\$2.8 million attributable to the decrease in orders from Malaysia and Thailand as a result of lower demand from the local healthcare and government sectors; and (b) revenue from our wholesale and drop-shipment business segment by approximately US\$0.2 million mainly attributable to decrease in orders from our customers.

Cost of sales

Cost of sales decreased by approximately US\$1.3 million or 40.8% from approximately US\$3.1 million in 1Q2022 to approximately US\$1.8 million in 1Q2023. The decrease was mainly due to (a) a decrease in the purchase costs of masks and medical supplies of approximately US\$1.2 million; and (b) a decrease in freight charges of approximately US\$36,000, which were in line with the decrease in revenue.

Gross profit and gross profit margin

Gross profit decreased by approximately US\$1.8 million or 85.0% from approximately US\$2.1 million in 1Q2022 to approximately US\$0.3 million in 1Q2023 mainly due to the decrease in gross profit margin from approximately 40.4% in 1Q2022 to approximately 14.6% in 1Q2023. This was mainly attributable to a substantial decrease in gross margin from our mask and medical supplies segment because of the decrease in revenue generated.

Other income and gains

Finance costs remained relatively stable from 1Q2022 to 1Q2023.

Marketing and distribution costs

Marketing and distribution costs increased by approximately US\$73,000 or 1,460.0% from approximately US\$5,000 in 1Q2022 to approximately US\$78,000 in 1Q2023 mainly due to (a) the increase in travelling expenses of approximately US\$20,000 as a result of the further easing of travel restrictions; and (b) the increase in costs incurred for the development of our *furlife* mobile application of approximately to US\$51,000 in 1Q2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Administrative expenses

Administrative expenses increased by approximately US\$0.3 million or 71.0% from approximately US\$0.3 million in 1Q2022 to approximately US\$0.6 million in 1Q2023. This was mainly due to the recognition of professional fees of approximately US\$0.2 million incurred in relation to our Listing in 1Q2023.

Other losses

Other losses decreased by approximately US\$29,000 or 90.6% from approximately US\$32,000 in 1Q2022 to approximately US\$3,000 in 1Q2023. This was mainly due to a smaller amount of aged inventory being written off in 1Q2023.

Finance costs

Finance costs remained relatively stable from 1Q2022 to 1Q2023.

Profit/(loss) before tax

Profit before tax decreased by approximately US\$2.1 million from a profit before tax of approximately US\$1.7 million in 1Q2022 to a loss before tax of approximately US\$0.4 million in 1Q2023. This was mainly due to a decrease in gross profit of approximately US\$1.8 million and an increase of approximately US\$0.3 million administrative expenses incurred in 1Q2023 in relation to our Listing.

Income tax expense

Income tax expense was approximately US\$0.3 million in 1Q2022 and there was no income tax expense in 1Q2023 due to losses incurred by our Group in 1Q2023.

REVIEW OF FINANCIAL POSITION

As at 30 June 2020

Non-current assets

As at 30 June 2020, our non-current assets of approximately US\$1.4 million accounted for approximately 11.4% of our total assets. Our non-current assets comprised property, plant and equipment and rights-of-use assets.

As at 30 June 2020, property, plant and equipment accounted for approximately US\$1.4 million or 99.6% of our non-current assets which comprised (a) leasehold property of approximately US\$1.3 million; and (b) plant and equipment of approximately US\$0.1 million which mainly relate to office equipment and motor vehicle.

As at 30 June 2020, rights-of-use assets accounted for approximately US\$5,000 or 0.4% of our non-current assets which mainly related to office premises of one of our subsidiaries located at 68 Jalan Jurong Kechil in Singapore.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Current assets

As at 30 June 2020, our current assets of approximately US\$10.9 million accounted for approximately 88.6% of our total assets. Our current assets comprised inventories, trade receivables, other non-financial assets and cash and cash equivalents.

As at 30 June 2020, our inventories of approximately US\$1.3 million accounted for approximately 11.6% of our current assets. Our inventories comprised mainly finished goods and goods for resale for our mask and medical supplies segment and our pharmaceutical wholesale and drop-shipment segment.

As at 30 June 2020, our trade receivables of approximately US\$6.8 million accounted for approximately 62.1% of our current assets. Trade receivables comprised trade receivables from third-parties.

As at 30 June 2020, our other non-financial assets of approximately US\$0.4 million accounted for approximately 3.4% of our current assets. Other non-financial assets comprised (a) advances to suppliers of approximately US\$337,000 in relation to advanced payments for inventories mainly to our contract manufacturers and major suppliers; (b) deposits to secure services of approximately US\$5,000; and (c) prepayments of approximately US\$26,000.

As at 30 June 2020, our cash and cash equivalents comprised cash at bank which amounted to approximately US\$2.5 million or approximately 22.9% of our current assets.

Non-current liabilities

As at 30 June 2020, our non-current liabilities of approximately US\$0.8 million accounted for approximately 8.1% of our total liabilities. Our non-current liabilities comprised solely loans and borrowings which relate to secured bank loans.

Current liabilities

As at 30 June 2020, our current liabilities of approximately US\$9.0 million accounted for approximately 91.9% of our total liabilities. Our current liabilities comprised income tax payable, lease liabilities, loans and borrowings, other non-financial liabilities and trade and other payables.

As at 30 June 2020, income tax payable amounted to approximately US\$0.5 million or 5.4% of our current liabilities.

As at 30 June 2020, leases liabilities amounted to approximately US\$4,000 or 0.1% of our current liabilities which mainly related to the lease of office space.

As at 30 June 2020, loans and borrowings amounted to approximately US\$75,000 or 0.8% of our current liabilities which comprised secured bank loans and hire purchase liabilities of approximately US\$62,000 and US\$13,000, respectively.

As at 30 June 2020, other non-financial liabilities amounted to approximately US\$0.9 million or 9.9% of our current liabilities which related to contract liabilities on advances received from customers for performance obligations that were not satisfied as of the end of FY2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

As at 30 June 2020, trade and other payables amounted to approximately US\$7.6 million or 83.8% of our current liabilities. Trade and other payables comprised trade payables to third-parties and accrued liabilities.

Equity

As at 30 June 2020, our total equity amounted to approximately US\$2.5 million which comprised issued share capital of approximately US\$0.2 million and retained earnings of approximately US\$2.3 million.

As at 30 June 2021

Non-current assets

As at 30 June 2021, our non-current assets of approximately US\$1.3 million accounted for approximately 18.9% of our total assets. Our non-current assets comprised solely property, plant and equipment.

Our property, plant and equipment comprised (a) leasehold property of approximately US\$1.3 million; and (b) plant and equipment of approximately US\$43,000 which mainly related to office equipment and motor vehicle.

The right-of-use assets recognised in FY2020 were fully depreciated in FY2021 due to the expiry of the lease agreement.

Current assets

As at 30 June 2021, our current assets of approximately US\$5.7 million accounted for approximately 81.1% of our total assets. Our current assets comprised inventories, trade receivables, other non-financial assets, and cash and cash equivalents.

As at 30 June 2021, our inventories of approximately US\$1.7 million accounted for approximately 28.9% of our current assets. Our inventories comprised solely finished goods and goods for resale for our mask and medical supplies segment and our pharmaceutical wholesale and drop-shipment segment. The increase in inventory level of masks as at the end of FY2021 was mainly due to our Group receiving masks from our contract manufacturers near the end of FY2021 that were not yet shipped out to our customers and were only subsequently delivered to them in FY2022.

As at 30 June 2021, our trade receivables of approximately US\$0.5 million accounted for approximately 8.7% of our current assets. Trade receivables comprised (a) trade receivables from third-parties of approximately US\$0.5 million; and (b) trade receivables from a related party, Pasture Marketing Inc., of approximately US\$29,000. Please refer to the section entitled "Interested Person Transactions – Past Interested Person Transactions" of this Offer Document for more details.

As at 30 June 2021, our other non-financial assets of approximately US\$0.4 million accounted for approximately 6.5% of our current assets. Other non-financial assets comprised (a) advances to suppliers of approximately US\$0.3 million in relation to advance payments for inventories mainly to our contract manufacturers and major suppliers; (b) deposits to secure services of approximately US\$14,000; and (c) prepayments of approximately US\$32,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

As at 30 June 2021, our cash and cash equivalents comprised cash at bank which amounted to approximately US\$3.2 million or approximately 55.9% of our current assets.

Non-current liabilities

As at 30 June 2021, our non-current liabilities of approximately US\$0.7 million accounted for approximately 13.0% of our total liabilities. Our non-current liabilities comprised loans and borrowings and lease liabilities.

As at 30 June 2021, loans and borrowings amounted to approximately US\$0.7 million or 97.3% of our non-current liabilities which comprised solely secured bank loans.

As at 30 June 2021, lease liabilities amounted to approximately US\$20,000 or 2.7% of our non-current liabilities which related to the lease of office space.

Current liabilities

As at 30 June 2021, our current liabilities of approximately US\$5.0 million accounted for approximately 87.0% of our total liabilities. Our current liabilities comprised income tax payable, lease liabilities, loans and borrowings, other non-financial liabilities and trade and other payables.

As at 30 June 2021, income tax payable amounted to approximately US\$0.3 million or 6.1% of our current liabilities.

As at 30 June 2021, leases liabilities amounted to approximately US\$62,000 or 1.3% of our current liabilities which mainly relate to the lease of office space.

As at 30 June 2021, loans and borrowings amounted to approximately US\$66,000 or 1.3% of our current liabilities which comprised solely secured bank loans.

As at 30 June 2021, other non-financial liabilities amounted to approximately US\$1.4 million or 28.2% of our current liabilities which related to contract liabilities on advances received from customers for performance obligations that were not satisfied as of the end of FY2021.

As at 30 June 2021, trade and other payables amounted to approximately US\$3.2 million or 63.1% of our current liabilities. Trade and other payables comprised (a) trade payables to third-parties and accrued liabilities of approximately US\$1.7 million; (b) trade payables to related parties of approximately US\$5,000, which mainly relates to commission payable in relation to Pasture Marketing Inc.. Please refer to the section entitled "Interested Person Transactions – Past Interested Person Transactions" of this Offer Document for more details; and (c) and other payables of approximately US\$1.5 million in relation to dividends payable to our shareholders, namely PMI Holdings Pte. Ltd. and Plutus Star Holding Pte. Ltd..

Equity

As at 30 June 2021, our total equity amounted to approximately US\$1.3 million which comprised issued share capital of approximately US\$0.2 million and retained earnings of approximately US\$1.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

As at 30 June 2022

Reconciliation of the unaudited *pro forma* consolidated statement of financial position as at 30 June 2022

Following the completion of the Property Disposal, our Group's property, plant and equipment decreased by approximately US\$1.3 million, being the net book value of the TradeHub Property, to approximately US\$0.4 million as at 30 June 2022. Our Group's cash and cash equivalents increased by approximately US\$0.7 million to approximately US\$4.4 million as at 30 June 2022 due to net proceeds from the Property Disposal. Our Group's loans and borrowings decreased by approximately US\$0.8 million to Nil as at 30 June 2022 following the full repayment of the loans relating to the TradeHub Property.

Non-current assets

As at 30 June 2022, our non-current assets of approximately US\$1.7 million accounted for approximately 22.8% of our total assets. Our non-current assets comprised property, plant and equipment and right-of-use assets.

As at 30 June 2022, property, plant and equipment accounted for approximately US\$1.7 million or 96.9% of our non-current assets comprised (a) leasehold property of approximately US\$1.3 million; and (b) plant and equipment of approximately US\$0.4 million which mainly related to office equipment and motor vehicle.

As at 30 June 2022, right-of-use assets accounted for approximately US\$54,000 or 3.1% of our non-current assets which mainly related to our premises located at 20 Boon Lay Way, TradeHub 21 for our operations.

Current assets

As at 30 June 2022, our current assets of approximately US\$5.8 million accounted for approximately 77.2% of our total assets. Our current assets comprised inventories, trade receivables, other non-financial assets and cash and cash equivalents.

As at 30 June 2022, our inventories of approximately US\$1.2 million accounted for approximately 20.6% of our current assets. Our inventories comprised solely finished goods and goods for resale for our mask and medical supplies and our pharmaceutical wholesale and drop-shipment segments.

As at 30 June 2022, our trade receivables of approximately US\$0.4 million accounted for approximately 7.6% of our current assets which comprised solely trade receivables from third-parties.

As at 30 June 2022, our other non-financial assets of approximately US\$0.5 million accounted for approximately 8.9% of our current assets. Other non-financial assets comprised (a) advances to suppliers of approximately US\$0.5 million in relation to advanced payments for inventories mainly to our contract manufacturers and major suppliers; (b) deposits to secure services of approximately US\$29,000; and (c) prepayments of approximately US\$22,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

As at 30 June 2022, our cash and cash equivalents comprised cash at bank which amounted to approximately US\$3.7 million or approximately 62.9% of our current assets.

Non-current liabilities

As at 30 June 2022, our non-current liabilities of approximately US\$0.8 million accounted for approximately 14.1% of our total liabilities. Our non-current liabilities comprised loans and borrowings and lease liabilities.

As at 30 June 2022, loans and borrowings amounted to approximately US\$0.7 million or 82.1% of our non-current liabilities which comprised solely secured bank loans.

As at 30 June 2022, lease liabilities amounted to approximately US\$0.2 million or 17.9% of our non-current liabilities which related to the lease of office space and motor vehicles.

Current liabilities

As at 30 June 2022, our current liabilities of approximately US\$5.1 million accounted for approximately 85.9% of our total liabilities. Our current liabilities comprised income tax payable, lease liabilities, loans and borrowings, other non-financial liabilities and trade and other payables.

As at 30 June 2022, income tax payable amounted to approximately US\$0.4 million or 8.2% of our current liabilities.

As at 30 June 2022, leases liabilities amounted to approximately US\$0.1 million or 2.2% of our current liabilities which mainly related to the lease of office space and motor vehicles.

As at 30 June 2022, loans and borrowings amounted to approximately US\$65,000 or 1.3% of our current liabilities which comprised solely secured bank loans.

As at 30 June 2022, other non-financial liabilities amounted to approximately US\$1.8 million or 35.5% of our current liabilities was in relation to contract liabilities on advances received from customers for performance obligations that were not satisfied as of the end of FY2022.

As at 30 June 2022, trade and other payables amounted to approximately US\$2.7 million or 52.8% of our current liabilities. Trade and other payables comprised (a) trade payables to third-parties and accrued liabilities of approximately US\$0.6 million; and (b) other payables of approximately US\$2.1 million in relation to dividends payable to our shareholders, namely PMI Holdings Pte. Ltd. and Plutus Star Holding Pte. Ltd..

Equity

As at 30 June 2022, our total equity amounted to approximately US\$1.7 million which comprised issued share capital of approximately US\$0.2 million and retained earnings of approximately US\$1.5 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

As at 30 September 2022

Reconciliation of the unaudited *pro forma* consolidated statement of financial position as at 30 September 2022

Following the completion of the Property Disposal, our Group's property, plant and equipment decreased by approximately US\$1.3 million, being the net book value of the TradeHub Property, to approximately US\$0.4 million as at 30 September 2022. Our Group's cash and cash equivalents increased by approximately US\$0.7 million to approximately US\$3.9 million as at 30 June 2022 due to net proceeds from the Property Disposal. Our Group's loans and borrowings decreased by approximately US\$0.7 million to Nil as at 30 June 2022 following the full repayment of the loans in relation to the TradeHub Property.

Non-current assets

As at 30 September 2022, our non-current assets of approximately US\$1.7 million accounted for approximately 23.4% of our total assets. Our non-current assets comprised property, plant and equipment and right-of-use assets.

As at 30 September 2022, property, plant and equipment accounted for approximately US\$1.7 million or 97.2% of our non-current assets comprised (a) leasehold property of approximately US\$1.3 million; and (b) plant and equipment of approximately US\$0.4 million which mainly related to office equipment and motor vehicle.

As at 30 September 2022, right-of-use assets accounted for approximately US\$48,000 or 2.8% of our non-current assets which mainly relate to office premises.

Current assets

As at 30 September 2022, our current assets of approximately US\$5.7 million accounted for approximately 76.6% of our total assets. Our current assets comprised inventories, trade receivables, other non-financial assets and cash and cash equivalents.

As at 30 September 2022, our inventories of approximately US\$1.3 million accounted for approximately 23.4% of our current assets. Our inventories comprised solely finished goods and goods for resale for our mask and medical supplies, pharmaceutical wholesale and drop-shipment segments.

As at 30 September 2022, our trade receivables of approximately US\$0.6 million accounted for approximately 10.8% of our current assets which comprised solely trade receivables from third-parties.

As at 30 September 2022, our other non-financial assets of approximately US\$0.6 million accounted for approximately 9.6% of our current assets. Other non-financial assets comprised (a) advances to suppliers of approximately US\$0.5 million in relation to advanced payments for inventories mainly to our suppliers; (b) deposits to secure services of approximately US\$30,000; and (c) prepayments of approximately US\$18,000.

As at 30 September 2022, our cash and cash equivalents comprised cash at bank which amounted to approximately US\$3.2 million or approximately 56.1% of our current assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Non-current liabilities

As at 30 September 2022, our non-current liabilities of approximately US\$0.8 million accounted for approximately 13.0% of our total liabilities. Our non-current liabilities comprised loans and borrowings and lease liabilities.

As at 30 September 2022, loans and borrowings amounted to approximately US\$0.7 million or 83.9% of our non-current liabilities which comprised solely a secured bank loan.

As at 30 September 2022, lease liabilities amounted to approximately US\$0.1 million or 16.1% of our non-current liabilities which related to the lease on office space and motor vehicles.

Current liabilities

As at 30 September 2022, our current liabilities of approximately US\$5.3 million accounted for approximately 87.0% of our total liabilities. Our current liabilities comprised income tax payable, lease liabilities, loans and borrowings, other non-financial liabilities and trade and other payables.

As at 30 September 2022, income tax payable amounted to approximately US\$0.3 million or 6.1% of our current liabilities.

As at 30 September 2022, leases liabilities amounted to approximately US\$0.1 million or 1.8% of our current liabilities which mainly related to the lease of office space and motor vehicles.

As at 30 September 2022, loans and borrowings amounted to approximately US\$65,000 or 1.2% of our current liabilities which comprised solely secured bank loans.

As at 30 September 2022, other non-financial liabilities amounted to approximately US\$2.3 million or 42.8% of our current liabilities was in relation to contract liabilities on advances received from customers for performance obligations that were not satisfied as at the end of 1Q2023.

As at 30 September 2022, trade and other payables amounted to approximately US\$2.6 million or 48.1% of our current liabilities. Trade and other payables comprised (a) trade payables to third-parties and accrued liabilities of approximately US\$0.5 million; and (b) other payables to our shareholders, namely PMI Holdings Pte. Ltd. and Plutus Star Holding Pte. Ltd. of approximately US\$2.1 million in relation to dividends payable.

Equity

As at 30 September 2022, our total equity amounted to approximately US\$1.3 million which comprised issued share capital of approximately US\$0.2 million and retained earnings of approximately US\$1.1 million.

SEASONALITY

We do not generally experience seasonality in our business.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

INFLATION

Our financial performance for the Period Under Review was not materially affected by inflation on a company basis.

LIQUIDITY AND CAPITAL RESOURCES

We financed our growth and operations through a combination of shareholders' equity (including retained earnings), net cash generated from operating activities, and loans and borrowings from financial institutions. Our principal uses of cash have been for working capital requirements and capital expenditures.

The following table sets out a summary of our Company's cash flows for FY2020, FY2021, FY2022 and 1Q2023. The following net cash flow summary should be read in conjunction with the full text of this Offer Document, including the section entitled "Summary of our Financial Information" of this Offer Document, the "Independent Auditor's Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022" as set out in Appendix A to this Offer Document and the "Independent Auditor's Review Report and the Interim Unaudited Consolidated Financial Statements for the Three-Month Period Ended 30 September 2022" as set out in Appendix B to this Offer Document.

| US\$'000 | FY2020 (Audited) | FY2021 (Audited) | FY2022 (Audited) | 1Q2023 (Unaudited) |
|--|---------------------|---------------------|---------------------|-----------------------|
| Net cash from/(used in) operating activities | 2,155 | 2,152 | 2,291 | (375) |
| Net cash from/(used in) investing activities | 627 | (47) | (183) | (51) |
| Net cash used in financing activities | (1,479) | (1,399) | (1,642) | (61) |
| Net increase/(decrease) in cash and cash equivalents | 1,303 | 706 | 466 | (487) |
| Cash and cash equivalents at the beginning of the year/period | 1,201 | 2,504 | 3,210 | 3,676 |
| Cash and cash equivalents at the end of the year/period | 2,504 | 3,210 | 3,676 | 3,189 |

FY2020

In FY2020, we recorded a net cash from operating activities of approximately US\$2.2 million, which was a result of operating cash flows before changes in working capital of approximately US\$2.1 million, adjusted for working capital inflows of approximately US\$0.1 million and income taxes paid of approximately US\$18,000. The net working capital inflow was mainly due to the following:

- (a) an increase in trade and other payables of approximately US\$7.0 million; and
- (b) an increase in other non-financial liabilities of approximately US\$0.5 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The above working capital inflows were partially offset by:

- (a) an increase in inventories of approximately US\$0.9 million;
- (b) an increase in trade and other receivables of approximately US\$6.3 million; and
- (c) an increase in other non-financial assets of approximately US\$0.2 million.

Net cash from investing activities amounted to approximately US\$0.6 million, which was mainly attributable to proceeds from sale of the investment property of approximately US\$0.7 million. This was partially offset by the purchase of property, plant and equipment of approximately US\$36,000.

Net cash flow used in financing activities amounted to approximately US\$1.5 million, which was mainly attributable to (a) dividends paid to equity owners of approximately US\$1.3 million; (b) repayment of loans and borrowings, interests paid and lease payment aggregating to approximately US\$0.1 million; and (c) net movements in amounts due to directors of approximately US\$0.2 million. This was partially offset by the issuance of shares of approximately US\$0.1 million.

As at 30 June 2020, our cash and cash equivalents were approximately US\$2.5 million.

FY2021

In FY2021, we recorded a net cash from operating activities of approximately US\$2.2 million, which was a result of operating cash flows before changes in working capital of approximately US\$2.1 million, adjusted for working capital inflows of approximately US\$0.5 million and income taxes paid of approximately US\$0.5 million. The net working capital inflow was mainly due to the following:

- (a) a decrease in trade and other receivables of approximately US\$6.3 million; and
- (b) an increase in other non-financial liabilities of approximately US\$0.5 million.

The above working capital inflows were partially offset mainly by:

- (a) an increase in inventories of approximately US\$0.4 million; and
- (b) a decrease in trade and other payables of approximately US\$5.9 million.

Net cash used in investing activities amounted to approximately US\$47,000, which was mainly attributable to the purchase of property, plant and equipment.

Net cash flow used in financing activities amounted to approximately US\$1.4 million, which was attributable to (a) dividends paid to equity owners of approximately US\$1.3 million; and (b) repayment of loans and borrowings, interests paid and lease payment aggregating to approximately US\$0.1 million.

As at 30 June 2021, our cash and cash equivalents were approximately US\$3.2 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FY2022

In FY2022, we recorded a net cash from operating activities of approximately US\$2.3 million, which was a result of operating profit before changes in working capital of approximately US\$2.9 million, adjusted for working capital outflows of approximately US\$0.3 million and income taxes paid of approximately US\$0.3 million. The net working capital outflow was due to the following:

- (a) an increase in other non-financial assets of approximately US\$0.1 million; and
- (b) a decrease in trade and other payables of approximately US\$1.1 million.

The above working capital outflows were partially offset by:

- (a) a decrease in inventories of approximately US\$0.5 million;
- (b) a decrease in trade and other receivables of approximately US\$53,000; and
- (c) an increase in other non-financial liabilities by US\$0.4 million.

Net cash used in investing activities amounted to approximately US\$0.2 million, which was attributable to the purchase of property, plant and equipment of approximately US\$0.2 million. This was partially offset by proceeds from disposal of property, plant and equipment of approximately US\$35,000.

Net cash flow used in financing activities amounted to approximately US\$1.6 million, which was attributable to (a) dividends paid to equity owners of approximately US\$1.5 million; and (b) repayment of loans and borrowings, interests paid and lease payment aggregating to approximately US\$0.1 million.

As at 30 June 2022, our cash and cash equivalents were approximately US\$3.7 million.

1Q2023

In 1Q2023, we recorded a net cash used in operating activities of approximately US\$0.4 million, which was a result of operating loss before changes in working capital of approximately US\$0.3 million, adjusted for working capital inflows of approximately US\$48,000 and income taxes paid of approximately US\$93,000. The net working capital inflows was due to an increase in other non-financial liabilities of approximately US\$0.5 million.

The above working capital inflows were partially offset by:

- (a) an increase in inventories of approximately US\$0.1 million;
- (b) an increase in trade and other receivables of approximately US\$0.2 million;
- (c) an increase in other non-financial assets of approximately US\$27,000; and
- (d) a decrease in trade and other payables by US\$0.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Net cash used in investing activities amounted to approximately US\$51,000, which was fully attributable to the purchase of property, plant and equipment.

Net cash flow used in financing activities amounted to approximately US\$61,000, which was attributable to (a) repayment of loans and borrowings of approximately US\$17,000; and (b) interests paid and lease payment aggregating to approximately US\$44,000.

As at 30 September 2022, our cash and cash equivalents were approximately US\$3.2 million.

CAPITAL EXPENDITURES, DIVESTMENTS, LEASE LIABILITIES, COMMITMENTS AND LIABILITIES

Capital Expenditures

The capital expenditures made by our Group during the Period Under Review and up to the Latest Practicable Date were as follows:

| US\$'000 | FY2020 | FY2021 | FY2022 | 1Q2023 | From 1 October 2022 to the Latest Practicable Date |
|---------------------|--------|--------|--------|--------|--|
| Plant and equipment | 36 | 48 | 424 | 51 | 10 |
| Total | 36 | 48 | 424 | 51 | 10 |

The increase of approximately US\$376,000 in capital expenditure incurred in FY2022 was attributable to the lease of a motor vehicle and renovation of our new office premise in Singapore. The above capital expenditures were primarily financed by internally generated resources.

Divestments

The divestments made by our Group during the Period Under Review and up to the Latest Practicable Date were as follows:

| US\$'000 | FY2020 | FY2021 | FY2022 | 1Q2023 | From 1 October 2022 to the Latest Practicable Date |
|---------------------|--------|--------|--------|--------|--|
| Plant and equipment | – | – | 108 | – | – |
| Investment property | 283 | – | – | – | – |
| Total | 283 | – | 108 | – | – |

The divestment in FY2020 was in relation to the disposal of our Group's investment property consisting of office and warehouse units situated at 8 Boon Lay Way #04-01, Singapore 609964 to an independent third-party. The divestment in FY2022 was in relation to the disposal of a motor vehicle for replacement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Lease Liabilities

Our Group's gross lease liabilities analysed by remaining contractual maturity at the end of the Period Under Review and as at the Latest Practicable Date were as follows:

| US\$'000 | As at 30 June 2020 | As at 30 June 2021 | As at 30 June 2022 | As at 30 September 2022 | As at Latest Practicable Date |
|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------------|-------------------------------------|
| Less than a year | 5 | 65 | 117 | 94 | 94 |
| 2-5 years | – | 23 | 157 | 133 | 85 |
| | 5 | 88 | 274 | 227 | 179 |
| Less: unearned interests | (1) | (6) | (13) | (5) | (7) |
| | 4 | 82 | 261 | 222 | 172 |

Capital Commitments

As at 30 June 2022, 30 September 2022 and as at the Latest Practicable Date, our Group does not have any capital commitments.

Contingent Liabilities

As at 30 June 2022, 30 September 2022 and as at the Latest Practicable Date, our Group does not have any contingent liabilities.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

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

Foreign Exchange Exposure

Our reporting currency is in US\$ and our operations are primarily carried out in Singapore. Generally, we sell our products in US\$ and may invoice our customers in S\$ or EUR equivalent upon their request. On the other hand, a significant portion of our operating costs are denominated in US\$ and S\$.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The proportions of our revenue denominated in US\$ and foreign currencies during the Period Under Review are as follows:

| Percentage of revenue denominated in | FY2020 (%) | FY2021 (%) | FY2022 (%) | 1Q2022 (%) | 1Q2023 (%) |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| US\$ | 85.0 | 87.9 | 93.2 | 93.4 | 90.3 |
| EUR | 1.2 | 8.7 | 5.5 | 5.4 | 7.9 |
| S\$ | 13.6 | 3.2 | 1.3 | 1.2 | 1.8 |
| Others | 0.2 | 0.2 | – | – | – |
| | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

The proportions of our cost of sales and operating expenses denominated in US\$ and foreign currencies during the Period Under Review are as follows:

| Percentage of cost of sales denominated in | FY2020 (%) | FY2021 (%) | FY2022 (%) | 1Q2022 (%) | 1Q2023 (%) |
|--|---------------|---------------|---------------|---------------|---------------|
| US\$ | 91.3 | 76.3 | 73.8 | 78.6 | 52.4 |
| JPY | 0.1 | 6.0 | 10.3 | 9.5 | 16.8 |
| EUR | 5.5 | 10.8 | 7.4 | 9.1 | 8.7 |
| Others | 3.1 | 6.9 | 8.5 | 2.8 | 22.1 |
| | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

| Percentage of operating expenses denominated in | FY2020 (%) | FY2021 (%) | FY2022 (%) | 1Q2022 (%) | 1Q2023 (%) |
|---|---------------|---------------|---------------|---------------|---------------|
| S\$ | 78.9 | 86.5 | 93.7 | 92.0 | 93.0 |
| US\$ | 20.0 | 13.2 | 6.0 | 7.7 | 6.8 |
| Others | 1.1 | 0.3 | 0.3 | 0.3 | 0.2 |
| | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

To the extent that our revenue, cost of sales and expenses are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection or payment, we will be exposed to adverse fluctuations of our functional currency, US\$, against other foreign currencies, which would adversely affect our earnings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our net foreign exchange exposure for FY2020, FY2021, FY2022, 1Q2022 and 1Q2023 were as follows:

| | FY2020 | FY2021 | FY2022 | 1Q2022 | 1Q2023 |
|---|--------|--------|--------|--------|--------|
| Net foreign exchange gains/(losses) (US\$'000) | 30 | 34 | (13) | 10 | 17 |
| As a percentage of revenue (%) | 0.2 | 0.3 | 0.1 | 0.2 | 0.8 |
| As a percentage of profit/(loss) before tax (%) | 1.2 | 1.8 | 0.5 | 0.6 | (4.5) |

At present, we do not have any formal policy for hedging against foreign exchange exposure. Prior to implementing any formal hedging policies, we will seek the approval of our Board on the policy and put in place adequate procedures which shall be reviewed and approved by our Audit Committee. Thereafter, all hedging transactions entered into by our Group will be in accordance with the set policies and procedures.

SIGNIFICANT ACCOUNTING POLICY CHANGES

The accounting policies have been consistently applied by our Group during the Period Under Review. We expect that the adoption of new or revised accounting standards issued but not yet effective for the Period Under Review will have no material impact on our future financial statements. We do not expect any changes to be made to our accounting policies in the next 12 months which may result in material adjustments to our financial statements for FY2020, FY2021 and FY2022. Please refer to the section entitled "Significant Accounting Policies and Other Explanatory Information" in the "Independent Auditor's Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022" as set out in Appendix A to this Offer Document.

CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with the sections entitled “Summary of our Financial Information”, “Use of Proceeds and Expenses of the Placement” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, the “Independent Auditor’s Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022” as set out in Appendix A to this Offer Document, the “Independent Auditor’s Review Report and the Interim Unaudited Consolidated Financial Statements for the Three-Month Period Ended 30 September 2022” as set out in Appendix B to this Offer Document and the “Independent Auditor’s Assurance Report and the Compilation of the Unaudited *Pro Forma* Consolidated Financial Information for the Financial Year Ended 30 June 2022 and Three-Month Period Ended 30 September 2022” as set out in Appendix C to this Offer Document, shows our cash and cash equivalents, capitalisation and indebtedness of our Group:

- (a) as at 30 September 2022, based on our interim unaudited consolidated financial statements;
- (b) as at the Latest Practicable Date, based on our unaudited consolidated management accounts; and
- (c) as adjusted for the Share Split, the application of the net proceeds from the Placement, after deducting the estimated listing expenses related to the Placement.

| US\$'000 | As at 30 September 2022 | As at the Latest Practicable Date | After adjusting for the Share Split and the net proceeds from the Placement |
|--|-------------------------------|---|--|
| Cash and bank balances | 3,189 | 1,058 ⁽¹⁾ | 3,346 |
| Current | | | |
| Secured and guaranteed | 65 | 65 | 65 |
| Secured and non-guaranteed | — | — | — |
| Unsecured and guaranteed | — | — | — |
| Unsecured and non-guaranteed | — | — | — |
| Non-current | | | |
| Secured and guaranteed | 669 | 641 | 641 |
| Secured and non-guaranteed | — | — | — |
| Unsecured and guaranteed | — | — | — |
| Unsecured and non-guaranteed | — | — | — |
| Total indebtedness | 734 | 706 | 706 |
| Total shareholders’ equity | 1,281 | 906 | 3,838 |
| Total capitalisation and indebtedness | 2,015 | 1,612 | 4,544 |

Note:

- (1) The decrease in the cash and bank balances between 30 September 2022 and as at the Latest Practicable Date was mainly due to the payment of a dividend declared for FY2022 of approximately US\$2.1 million on 29 November 2022.

CAPITALISATION AND INDEBTEDNESS

As at the Latest Practicable Date, save for the (a) changes in working capital; and (b) changes in our shareholders' equity and reserves arising from our day-to-day operations in the ordinary course of business, there were no material changes to our capitalisation and indebtedness as disclosed above.

BORROWINGS

As at 30 September 2022, our Group's banking facilities from the financial institutions are as follows:

| Financial institution | Nature of facility | Secured/ unsecured | Facility amount (S\$'000) | Utilised amount (S\$'000) | Unutilised amount (S\$'000) | Interest rate | Maturity profile |
|-----------------------|---|-----------------------|---------------------------------|---------------------------------|-----------------------------------|---|--------------------------------|
| UOB (the "Bank") | Line of credit for (i) commercial property loan ("CPL"); and (ii) establishing a credit limit for credit card | Secured | 1,457 | 1,417 in relation to the CPL | 40 ⁽¹⁾ | In relation to the CPL: 1st year: Fixed at 1.38% per annum; 2nd year: Fixed at 1.58% per annum; 3rd year: Fixed at 1.98% per annum; and at the prevailing bank's commercial financing rate thereafter | 4 August 2015 to 3 August 2032 |

Note:

(1) For establishing a credit limit for a credit card.

The above banking facility of our Group, which has been fully repaid as at the date of this Offer Document, was secured by:

- (a) a mortgage over the TradeHub Property;
- (b) a personal guarantee for S\$1.6 million executed by our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong; and
- (c) corporate guarantee of approximately S\$1.4 million executed by our Company.

Please refer to the section entitled "Interested Person Transactions – Present and Ongoing Interested Person Transactions" of this Offer Document for details of the personal guarantee provided by Mr. Lloyd Soong.

Completion of the Property Disposal took place on 31 March 2023. In connection with the Property Disposal, our Group has fully repaid the aforementioned banking facility and the underlying securities were fully discharged in connection therewith.

As at the Latest Practicable Date, to the best of our Directors' knowledge, we were not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results of business operations, or the investments of our Shareholders.

CAPITALISATION AND INDEBTEDNESS

Save as disclosed in this Offer Document, our Group has no other borrowings or indebtedness (direct or indirect) or liabilities (including contingent liabilities) as at the Latest Practicable Date. Please refer to the sections entitled “Capitalisation and Indebtedness” and “Working Capital” of this Offer Document for further details of our borrowings and working capital.

WORKING CAPITAL

Our Company financed its operations through both internal and external sources. Our internal sources of funds comprised cash generated from our operating activities. Our external sources of funds comprised mainly credit granted by suppliers and banking facilities from financial institutions. Please refer to section entitled “Capitalisation and Indebtedness” of this Offer Document for further details.

Our Group had cash and cash equivalents of approximately US\$2.5 million, US\$3.2 million, US\$3.7 million and US\$3.2 million as at 30 June 2020, 30 June 2021, 30 June 2022 and 30 September 2022, respectively.

Our Group recorded positive working capital of approximately US\$1.9 million, US\$0.7 million, US\$0.8 million and US\$0.3 million as at 30 June 2020, 30 June 2021, 30 June 2022 and 30 September 2022, respectively.

Our Group’s working capital decreased by approximately US\$1.2 million from approximately US\$1.9 million as at 30 June 2020 to approximately US\$0.7 million as at 30 June 2021 mainly due to (a) a decrease in trade receivables of approximately US\$6.3 million due to decrease in revenue; and (b) an increase in current other non-financial liabilities of approximately US\$0.6 million at 30 June 2021 due to higher performance obligations to customers not satisfied as at 30 June 2021. This was partially offset by (a) a decrease in trade and other payables of approximately US\$4.5 million due to decrease in cost of sales in FY2021; (b) an increase in cash and cash equivalent of approximately US\$0.7 million as at 30 June 2021; and (c) an increase in inventories of approximately US\$0.4 million as at 30 June 2021.

Our Group’s working capital remained stable at approximately US\$0.8 million as at 30 June 2022, as compared to 30 June 2021.

Our working capital decreased by approximately US\$0.5 million from approximately US\$0.8 million as at 30 June 2022 to approximately US\$0.3 million as at 30 September 2022 mainly due to a decrease in cash and cash equivalents of approximately US\$0.5 million mainly due to net cash out flow from operating activities.

Our Directors are of the reasonable opinion that, after taking into account (a) our Group’s cash and bank balances of approximately US\$1.1 million as at the Latest Practicable Date; (b) our positive working capital of US\$0.8 million and US\$0.3 million as at 30 June 2022 and 30 September 2022, respectively; (c) the payments of the declared dividends of US\$2.1 million for FY2022; (d) the fact that our Group is not expected to have any material loans and borrowings outstanding following the completion of the Property Disposal and that the *pro forma* working capital position as at 30 June 2022 and 30 September 2022, assuming the completion of Property Disposal, is approximately US\$1.6 million and US\$1.1 million, respectively, as set out in our Group’s unaudited *pro forma* consolidated statements of financial position; and (e) the capital expenditures incurred by our Group up to the Latest Practicable Date and expected to be incurred by our Group for the next 12 months after the Listing (including the intended and planned renovation for the 36 Jalan Tukang Property), the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for the present requirements and for at least 12 months after the Listing. For the avoidance of doubt, our Directors have not taken into account the proceeds from the Listing in arriving in their opinion.

WORKING CAPITAL

The Issue Manager, Sponsor and Placement Agent is of the reasonable opinion that, after taking into account (a) our Group's cash and bank balances of approximately US\$1.1 million as at the Latest Practicable Date; (b) our positive working capital of US\$0.8 million and US\$0.3 million as at 30 June 2022 and 30 September 2022, respectively; (c) the payments of the declared dividends of US\$2.1 million for FY2022; (d) the fact that our Group is not expected to have any material loans and borrowings outstanding following the completion of the Property Disposal and that the *pro forma* working capital position as at 30 June 2022 and 30 September 2022, assuming the completion of Property Disposal, is approximately US\$1.6 million and US\$1.1 million, respectively, as set out in our Group's unaudited *pro forma* consolidated statements of financial position; and (e) the capital expenditures incurred by our Group up to the Latest Practicable Date and expected to be incurred by our Group for the next 12 months after the Listing (including the intended and planned renovation for the 36 Jalan Tukang Property), the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for the present requirements and for at least 12 months after the Listing. For the avoidance of doubt, the Issue Manager, Sponsor and Placement Agent has not taken into account the proceeds from the Listing in arriving in their opinion.

GENERAL INFORMATION ON OUR GROUP

HISTORY

Our Group's history can be traced back to 1996 when our founder, Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong, founded Pasture Pharma to provide international wholesale procurement and transshipment services in respect of pharmaceutical products. Our Group was the exclusive distributor of pharmaceutical products and vaccines developed by Byk Gulden (Altana), Genzyme SE Asia (Sanofi) and Chiron Vaccines (Novartis) and became one of the primary suppliers of influenza vaccines to the Singapore government and hospitals during the SARS (severe acute respiratory syndrome) outbreak in 2003.

Following the SARS outbreak, Mr. Soong identified a gap in the market when he realised most masks were uncomfortable and posed difficulties in breathing to the user. Certain masks also did not provide a good facial fit for users, allowing larger particle droplets to escape from the mask, rendering it less effective. This resulted in the establishment of our mask and medical supplies division in 2005, with a focus on innovating and developing our own proprietary brand of masks known as "*Pasture Masks*", comprising surgical masks, N95 respirators and surgical N95 respirators. We developed our first proprietary product in 2005, being our anti-viral N95 respirators, which were one of the first masks in the market which not only filtered microbes such as viruses and bacteria, but also inactivated such microbes upon contact with its surface, and also contained properties such as lower breathing resistance and high filtration efficiency. In 2009, our Group became one of the two companies in the world to obtain FDA clearance for two (2) of our N95 respirators (our *Pasture F550G N95 Respirator* and our *Pasture A520G N95 Respirator*) that do not require fit test for general public use during medical health emergencies such as pandemics. Our *Pasture F550G N95 Respirator* and our *Pasture A520G N95 Respirator* have been cleared by the FDA and certified by NIOSH to provide adequate protection against bacteria, viruses (such as COVID-19, H1N1 or seasonal flu) and allergens. Our Group has since obtained 14 FDA clearances and 20 NIOSH certifications in respect of our *Pasture Masks* as at the Latest Practicable Date. During the Period Under Review and up to the Latest Practicable Date, we have supplied more than 100 million *Pasture Masks* globally.

Since then, our Group has also expanded into providing wholesale procurement services in respect of medical supplies and devices, as well as cold-chain management and drop-shipment services in respect of pharmaceutical and nutraceutical products. As at the Latest Practicable Date, we have supplied more than 1,000 third-party pharmaceutical products to over 50 countries worldwide, including but not limited to Singapore, Malaysia, Japan, the U.S. and Canada.

With the core objective of providing innovative solutions with our products and services to protect and enhance the quality of life of our customers, we are also continually looking to innovate and develop new product lines within the pharmaceutical products and medical supplies and devices industry, such as the development of oral disintegrating strips, or ODS, as a new and novel approach for administering certain types of medication, as well as our latest venture into pet pharmaceuticals and nutraceuticals, with the launch of our mobile application known as "*furlife*" in January 2023, which is designed to provide a comprehensive suite of pet health and nutrition services for pet owners, including a digital health tracker, an online marketplace for pet pharmaceuticals and nutraceuticals and access to various pet health services.

Our Company was incorporated in Singapore on 3 November 2017 under the Companies Act as a private limited company, under the name of "Pasture Holdings Pte. Ltd." to rationalise the corporate structure of our Group. Our Company's registration number is 201731601W. Our Company was converted into a public limited company and the name of our Company was changed to "Pasture Holdings Ltd." in connection therewith on 28 March 2023.

GENERAL INFORMATION ON OUR GROUP

KEY MILESTONES

The table below sets forth key milestones in our Group's history:

| Year | Milestone |
|------|---|
| 1996 | <ul style="list-style-type: none"> Incorporation of Pasture Pharma in Singapore to provide international wholesale procurement and transshipment services in respect of pharmaceutical products. |
| 1998 | <ul style="list-style-type: none"> Our Group was appointed as the exclusive distributor for Byk Gulden (Altana) in Singapore for certain products including Albothyl and Controloc, for a period of three (3) years¹. |
| 2001 | <ul style="list-style-type: none"> We became the exclusive distributor for Genzyme SE Asia (Sanofi) in Singapore, Brunei, Malaysia and Indonesia for certain products including Cerezyme, Fabrizyme and Aldurazyme for a period of four (4) years¹. We became the exclusive distributor for Chiron Vaccines (Novartis) in Singapore and Brunei for certain products including Rabipur, Agrippal and Fludac for a period of three (3) years¹. |
| 2003 | <ul style="list-style-type: none"> We became one of the primary suppliers of influenza vaccines to the Singapore government and hospitals during the SARS (severe acute respiratory syndrome) outbreak. |
| 2005 | <ul style="list-style-type: none"> We started our mask and medical supplies business segment, and we developed anti-viral N95 respirators (<i>NT-V2</i> and <i>NT-Viral</i>), our first proprietary product. We established our first collaboration with our major supplier, Champak Enterprise Co. Ltd., for the provision of mask manufacturing capabilities to our Group through a mask manufacturing facility based in Taiwan. |
| 2009 | <ul style="list-style-type: none"> We became the second company in the world to obtain FDA clearance for two (2) of our N95 respirators (the <i>Pasture F550G N95 Respirator</i> and the <i>Pasture A520G N95 Respirator</i>) for general public use during medical health emergencies such as pandemics, without requiring a fit test. Our <i>Pasture F550G N95 Respirator</i> and our <i>Pasture A520G N95 Respirator</i> have been cleared by the FDA and certified by NIOSH to provide adequate protection against bacteria, viruses (such as COVID-19, H1N1 or seasonal flu) and allergens. |
| 2014 | <ul style="list-style-type: none"> We expanded our services to include the international procurement and wholesale of medical supplies and devices, which includes personal protective equipment such as medical gowns, gloves, and head coverings. |
| 2016 | <ul style="list-style-type: none"> We obtained FDA clearances for 14 of our N95 respirators and surgical masks. We partnered with Shilpa Therapeutics Pvt Ltd, a pharmaceutical products manufacturer based in India, to introduce <i>Hart-S ODS</i>, a range of ODS (or oral disintegrating strips) designed to provide a novel mode of drug administration for sildenafil, a drug mainly used to treat erectile dysfunction. |
| 2017 | <ul style="list-style-type: none"> We established our collaboration with our major supplier, Makrite Industries Inc., for the provision of mask manufacturing capabilities to our Group through a mask manufacturing facility based in the PRC. |
| 2018 | <ul style="list-style-type: none"> We partnered with SPRO Medical Products (Xiamen) Co., Ltd. for the provision of mask manufacturing capabilities to our Group through a second mask manufacturing facility based in the PRC. |

¹ These exclusive distributorship agreements are no longer in force as at the Latest Practicable Date, following the expiration of the respective agreements.

GENERAL INFORMATION ON OUR GROUP

| Year | Milestone |
|------|--|
| 2019 | <ul style="list-style-type: none"> We partnered with Makrite Industries Inc. for the provision of mask manufacturing capabilities to our Group through a third mask manufacturing facility based in the PRC. |
| 2021 | <ul style="list-style-type: none"> We partnered with Makrite Industries Inc. for the provision of mask manufacturing capabilities to our Group through a mask manufacturing facility based in Thailand. We supplied more than 100 million <i>Pasture Masks</i> globally. As part of the expansion of our pharmaceutical wholesale and drop-shipment business, we started a digital marketplace for the wholesale and distribution of pet pharmaceutical and nutraceutical products. |
| 2022 | <ul style="list-style-type: none"> We attained Halal certification from LPPOM MUI in Indonesia and the Middle East for nine (9) of our N95 respirators and surgical N95 respirators for healthcare and public use. Through our subsidiary, Pasture Pharma, we entered into a private label supply agreement in October 2022 with McKesson Medical-Surgical Inc., a subsidiary of McKesson Corporation, one of the largest medical and pharmaceutical distribution companies globally (ranked No. 9 on the Fortune 500 list of companies in the U.S.², with US\$264 billion in sales for its financial year ended 31 March 2022³) in relation to a collaborative arrangement for the supply of medical-surgical supplies by McKesson Medical-Surgical Inc. to our Group for an initial term of three (3) years. |
| 2023 | <ul style="list-style-type: none"> Building on our experience in the wholesale of pet pharmaceutical and nutraceutical products, we launched “<i>furlife</i>” in January 2023, which is a mobile application designed to provide a comprehensive suite of pet health and nutrition services for pet owners, including a digital health tracker, an online marketplace for pet pharmaceuticals and nutraceuticals and access to various pet health services. |

BUSINESS OVERVIEW

Our Group is a pharmaceutical products and medical supplies and devices company based in Singapore. With over 26 years of track record, we have seen steady business growth and development and the expansion of our position globally, through the development of core competencies across the pharmaceutical products and medical supplies and devices industry, such as the development of a range of proprietary masks under our *Pasture Masks* brand, as well as other pharmaceutical products.

² Source: Fortune, Fortune 500, 2022. Fortune has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

³ Source: McKesson, Annual Report – Fiscal Year Ended 31 March 2022. McKesson has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

GENERAL INFORMATION ON OUR GROUP

We are primarily a B2B and B2G goods and services provider, with our major customers being distributors of pharmaceutical products and medical supplies and devices, as well as governments and institutional customers such as hospitals, pharmacies and other healthcare institutions. Notwithstanding this, we are continuously looking to expand into new markets, including B2C markets such as the pet pharmaceuticals market. In this regard, we are constantly looking to innovate and develop new products and solutions that improve and maximise quality of life.

As at the Latest Practicable Date, our core business comprises the following three (3) key business segments:

- (a) **Mask and Medical Supplies:** We develop, market and sell our *Pasture Masks*, which are our own proprietary range of masks developed through collaboration with our contract manufacturers. Our *Pasture Masks* are classified into the following sub-categories: (i) surgical masks; (ii) N95 respirators; (iii) surgical N95 respirators; and (iv) N95 respirators for general public use. We also engage in the business of wholesale procurement of medical supplies and devices.
- (b) **Pharmaceutical Wholesale and Drop-Shipment:** We engage in the wholesale procurement and transshipment of pharmaceutical and nutraceutical products. In particular, we specialise in cold-chain management services relating to temperature-sensitive pharmaceutical products, such as vaccines, oncology products and medical aesthetics products. We also engage in the wholesale of pet pharmaceutical and nutraceutical products. In addition, we provide drop-shipment services, which serves as back-end support of pharmaceutical wholesale supplies to our international clients' wholesale pharmacy businesses.
- (c) **Other Services:** We also seek to develop new lines of products and services and have expanded into the following complementary services within the pharmaceutical products and medical supplies and devices industry:
 - (i) **Hart-S ODS:** We market and sell *Hart-S ODS*, which is our own range of ODS (or oral disintegrating strips) designed to provide a novel mode of medicinal administration for sildenafil, a drug mainly used to treat erectile dysfunction.
 - (ii) **furlife:** Building on our Group's experience in the wholesale of pet pharmaceutical and nutraceutical products, we introduced *furlife*, which is a mobile application intended to provide a comprehensive suite of pet health and nutrition services for pet owners, including a digital health tracker, an online marketplace for pet pharmaceuticals and nutraceuticals, as well as access to various pet health services.

As at the Latest Practicable Date, we serve more than 50 countries worldwide and develop our *Pasture Masks* through five (5) outsourced mask manufacturing facilities in the region and one (1) outsourced pharmaceutical manufacturing facility in respect of our *Hart-S ODS*. In addition, we have supplied more than 1,000 third-party pharmaceutical products to our customers and have obtained 14 FDA clearances and 20 NIOSH certifications in respect of our *Pasture Masks*. For further details, please refer to the section entitled "General Information on our Group – Material Licences, Permits, Registrations and Approvals" of this Offer Document.

GENERAL INFORMATION ON OUR GROUP

OUR BUSINESS SEGMENTS

Mask and Medical Supplies

Introduction

We develop, market and sell our own proprietary brand of masks, *Pasture Masks*, which are mainly sold to distributors of pharmaceutical products and medical supplies and devices, as well as governments and institutional customers globally, such as hospitals, pharmacies and other healthcare institutions. As a response to the COVID-19 pandemic, we also started making *Pasture Masks* available to the general public through our online retail store. Additionally, we engage in the wholesale procurement of medical supplies and devices, to distributors, governmental bodies and institutional customers.

As at the Latest Practicable Date, we have obtained 14 FDA clearances and 20 NIOSH certifications in respect of various mask models under our brand name, *Pasture Masks*, and during the Period Under Review and up to the Latest Practicable Date, we have supplied over 100 million *Pasture Masks* to distributors, governments, hospitals, pharmacies and other healthcare institutions globally, across countries including but not limited to Singapore, Malaysia, Japan, the U.S. and Canada. Nine (9) of our N95 respirators and surgical N95 respirators have also been Halal-certified by LPPOM MUI, a Halal certification body in Indonesia and the Middle East for healthcare and public use.

Our mask and medical supplies business is required to conform with the requirements of the *Good Distribution Practice for Medical Devices* issued by the HSA. For further details, please refer to the section entitled “General Information on our Group – Quality Assurance” of this Offer Document.

Pasture Masks

Our *Pasture Masks* can be classified into the following sub-categories:

- (a) **Surgical Masks:** Loose-fitting, disposable devices which create a physical barrier between the mouth and nose of the wearer and his/her immediate environment. Surgical masks seek to protect the wearer from large-particle droplets in the immediate environment, such as blood or body fluids, which may contain viruses and bacteria, and also seek to reduce exposure of the wearer’s saliva and respiratory secretions to the environment. Our surgical masks are FDA-cleared.
- (b) **N95 Respirators:** Particulate-filtering facepiece respirators designed to form a seal around the nose and mouth of the wearer, achieving a very close facial fit for the wearer. N95 respirators seek to provide filtration of at least 95% of airborne particles and contaminants of at least 0.3 microns, such as non-oil aerosols. In general, N95 respirators are required to undergo standard respiratory fit testing as per the *Singapore Standard 548:2009: Code of Practice for Selection, Use and Maintenance of Respiratory Protective Devices* to ensure the proper and tight fit of the N95 respirators. Our N95 respirators are NIOSH-certified.
- (c) **Surgical N95 Respirators:** Surgical N95 respirators are a specific type of N95 respirators which are tested for fluid resistance and are cleared by the FDA as surgical masks. Surgical N95 respirators are typically designed for use by healthcare personnel during healthcare and surgical procedures, to protect both the patient and healthcare personnel from the transfer of microorganisms, body fluids and particulate material. Surgical N95 respirators are required to undergo standard respiratory fit testing similar to N95 respirators and are both FDA-cleared and NIOSH-certified.


GENERAL INFORMATION ON OUR GROUP

- (d) **N95 Respirators for General Public Use:** Unlike typical N95 respirators which are required to go through standard respiratory fit testing to ensure the proper and tight fit of the N95 respirators, our Group has developed specific models of N95 respirators which are designed for general public use without requiring a respiratory fit test. These are known as our *Pasture N95 Pandemic Respirators* (namely, our *Pasture F550G N95 Respirator* and our *Pasture A520G N95 Respirator*), both of which are FDA-cleared and NIOSH-certified.

As at the Latest Practicable Date, we are one of the only two (2) companies worldwide with FDA-cleared N95 respirators that do not require a respiratory fit test for general public use during medical health emergencies, such as during a pandemic.

We have developed a wide range of *Pasture Masks*, which are designed, marketed and sold for different uses and purposes, depending on the type and level of contaminants and exposure period. This includes (a) masks for healthcare and occupational use; (b) masks for medical use; and (c) masks for general public use, including masks designed for pandemic use by the general public, and masks designed for specific categories of individuals such as children and the elderly.

The key products developed under our *Pasture Masks* portfolio include the following:

| Product | Description |
|--|--|
| (a) Masks for Healthcare and Occupational Use | |
| Pasture N95 Respirators <i>Pasture PM 30 N95 Respirator</i>  | <p>Pasture N95 respirators are developed primarily for healthcare workers such as healthcare ambassadors, porters and care assistants that work in healthcare institutions, as well as those in occupational roles such as construction workers, cleaners and service staff.</p> <p>Our Pasture N95 respirators are designed to provide long-lasting comfort, protection and a secured fit to make them suitable for healthcare and occupational use. For instance, our <i>Pasture PM 30 N95 Respirator</i>⁴ is designed with novel head straps with an adjustable buckle at the back of the strap, to allow for the length of the strap to be adjusted for a better-fitted mask for the user. It also features a vertical-fold design to provide ease and convenience in storing. Our N95 respirators also contain a filter for lower breathing resistance.</p> <p>As at the Latest Practicable Date, we have 20 different types of Pasture N95 respirators, all of which are NIOSH-certified, to protect healthcare and occupational workers from airborne droplets, particles and mists which are prevalent in their workplace environment that can affect their health.</p> |

⁴ Our Group intends to obtain FDA clearance for our *Pasture PM 30 N95 Respirator*. Barring any unforeseen circumstances, we expect to obtain such FDA clearance in or around the second half of 2023, based on our previous experiences in obtaining clearance from the FDA in respect of our *Pasture Masks*.

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(b) Masks for Medical Use

Pasture Surgical N95 Respirators

Pasture PM 15 Surgical N95 Respirator



Pasture PM 10 Surgical N95 Respirator



Our Pasture Surgical N95 Respirators are designed specifically for use in medical and surgical settings. Our Pasture Surgical N95 Respirators are NIOSH-certified N95 respirators that are also cleared by the FDA as a surgical mask to be used by healthcare personnel during procedures, to protect both patients and healthcare workers from the transfer of microorganisms, body fluids, and particulate material.

As at the Latest Practicable Date, we offer 11 different types of Pasture Surgical N95 Respirators with varying shapes, such as cone-shaped (our *Pasture PM 15 Surgical N95 Respirator*) and duckbill-shaped (our *Pasture PM 10 Surgical N95 Respirator*) surgical N95 respirators.

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Pasture Surgical Masks for Dental Practitioners

Pasture 60S Surgical Mask



The *Pasture 60S Surgical Mask* is a unique and novel surgical mask specially developed for use by dental practitioners.

Our *Pasture 60S Surgical Mask* is designed to provide greater protection to airborne microbes as compared to typical surgical masks. This is particularly relevant for medical personnel such as dental practitioners, who are exposed to a higher risk of airborne microbes such as viruses and bacteria during their day-to-day medical practice. Our *Pasture 60S Surgical Mask* also features lower breathing resistance to provide higher levels of comfort for the wearer, while still offering optimal protection.

Our *Pasture 60S Surgical Mask* has received clearance by the FDA as a medical-grade surgical mask for use by healthcare personnel.

(c) Masks for General Public Use

Pasture N95 Pandemic Respirators

Pasture F550G N95 Respirator



Unlike typical N95 respirators which are required to go through standard respiratory fit testing as per the *Singapore Standard 548:2009: Code of Practice for Selection, Use and Maintenance of Respiratory Protective Devices* to ensure the proper and tight fit of the N95 respirators, our Pasture N95 Pandemic Respirators (namely, our *Pasture F550G N95 Respirator* and our *Pasture A520G N95 Respirator*) are N95 respirators which are suitable for general public use without requiring a respiratory fit test, and are both FDA-cleared and NIOSH-certified.

As at the Latest Practicable Date, we are one of the only two (2) companies worldwide with FDA-cleared N95 respirators that do not require a respiratory fit test for general public use during medical health emergencies, such as during a pandemic.

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Family Use Masks

Pasture Kids' Mask



Our *Pasture Kids' Mask* has been specially designed to provide optimal protection to the young without compromising fit and comfort.

As children may have specific needs when it comes to breathability and comfort of masks, our *Pasture Kids' Mask* have been specially designed with the understanding of the breathing capacity of children in mind, providing lower breathing resistance while still maintaining adequate protection against virus, bacteria, pollution and allergens.

The masks are designed to provide a more comfortable fit for children. They also have lower breathing resistance than the maximum allowable resistance prescribed by NIOSH, which makes the masks easier for the wearer to breathe in, while still maintaining high filtration protection and lower leakage levels.

Key Features of our Pasture Masks

Our *Pasture Masks* are designed with the following key features and capabilities to secure protection while maintaining long-lasting comfort for the wearer:

High Viral Filtration Efficiency

Our N95 respirators and surgical N95 respirators are generally tested to have a bacterial filtration efficiency (BFE) and viral filtration efficiency (VFE) of over 99%, which means they are proven to be effective against blocking bacteria and viruses with over 99% efficiency. This provides a stronger protection for the wearer in respect of bacteria and viruses which may spread through airborne diseases such as seasonal influenza, SARS, H1N1 or COVID-19.

Our N95 respirators and surgical N95 respirators are also tested against PM 2.5 with over 99% filtration efficiency. PM 2.5 refers to particulate matter that is 2.5 microns or smaller in size. Such particles are generally considered detrimental to human health as they are able to travel through the human respiratory tract and enter the lungs, which may lead to respiratory and/or cardiovascular diseases. A high particle filtration efficiency against PM 2.5 seeks to protect wearers of our N95 respirators and surgical N95 respirators against such harmful airborne particulates.

Ezy-Breathe™ Technology

Our N95 respirators and surgical N95 respirators are generally developed with a lower breathing resistance than the maximum allowable breathing resistance as prescribed by NIOSH, to ensure the masks remain comfortable and easy to breathe in, while maintaining high levels of filtration protection.

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Blood and Fluid Resistance

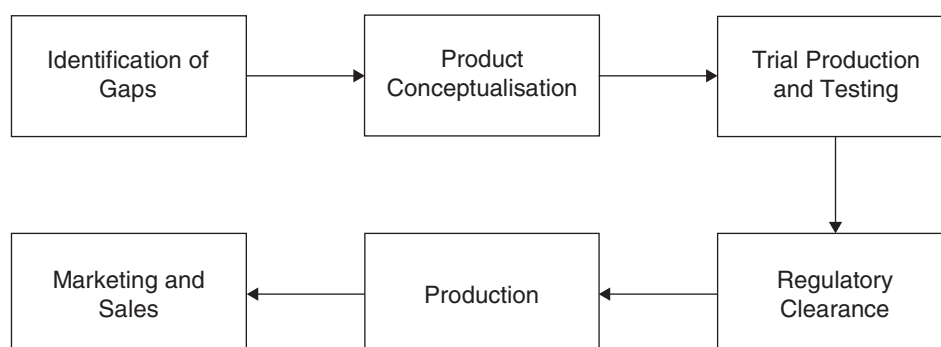
Each of our surgical masks and surgical N95 respirators are tested for blood and fluid resistance at a pressure of between 80 mmHg to 160 mmHg, in accordance with the *ASTM F1862 Standard Test Method for Resistance of Medical Face Masks to Penetration by Synthetic Blood (Horizontal Projection of Fixed Volume at a Known Velocity)*, which is a standard test method used to evaluate the resistance of masks to penetration by a high-velocity stream of synthetic blood.

Low Leakage Levels

Certain models of our N95 respirators, such as our *Pasture F550G N95 Respirator* and our *Pasture PM 30 N95 Respirator*, generally have low leakage levels which reduces the user's exposure to airborne biological pathogens and pollutants such as PM 2.5. The reduction in both inward and outward leakages serve to provide greater protection to both the users and their community.

Development of our Pasture Masks

The following diagram illustrates the general product development process for our *Pasture Masks*:



Identification of Gaps

We begin by identifying potential gaps in the market through our industry knowledge and experience, as well as seeking feedback based on our interactions with customers and various market players, in order to understand the product needs and requirements of our customers and end-users, with the ultimate goal of protecting and enhancing quality of life of the end-user.

Product Conceptualisation

After gathering the requisite information, we will provide the product ideation based on our observations and feedback received from customers and end-users and will work closely with our contract manufacturers, who have research and development teams and mask manufacturing facilities in the PRC, Taiwan and Thailand, to determine an overall product plan which will include the overall key objectives and requirements of the product. Using the overall product plan, we, together with our contract manufacturers, will develop specifications and requirements to address each product objective or requirement. In this regard, our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong and our key personnel have the relevant industry knowledge and technical expertise to conceptualise and formulate innovative products and solutions, which contain the features, functionality and requirements that will be able to meet industry requirements and guidelines and also achieve the comfort and effectiveness demanded by end-users.

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During the Period Under Review, we worked with our contract manufacturers in respect of our *Pasture Masks*. Some of the factors which our Group takes into consideration before selecting a contract manufacturer to work with to develop and manufacture a mask include the reputation and track record of the contract manufacturer, the length of the business relationship with our Group, whether the contract manufacturer has obtained the requisite clearances and/or certifications from regulatory authorities such as the FDA and NIOSH in respect of their manufacturing facilities, the medical supplies and other products manufactured at the particular facility, capacity, pricing and anticipated timeline for production. We have also entered into contract manufacturing agreements with some of our key contract manufacturers ("**Contract Manufacturing Agreements**"), which generally provide that our contract manufacturers will collaborate and coordinate with our Group in relation to the product development, including the generation of new product ideas and development of product prototypes.

Trial Production and Testing

Once the product is determined to be potentially feasible, our contract manufacturers will prepare trial batches of the product in their mask manufacturing facilities. Depending on the type of mask being developed, the trial batches may undergo various rounds of testing, such as the testing of blood fluid resistance for surgical masks and surgical N95 respirators.

Currently, there is no pre-determined approach on the management and sharing of the costs incurred during the development process and this varies depending on discussions with our contract manufacturers on a case-by-case basis. Please refer to the section entitled "General Information on our Group – Research and Development" of this Offer Document for further details on the typical cost-sharing arrangements entered into with our contract manufacturers for the development of our products.

Regulatory Clearance

Once a substantially advanced trial product has been developed, we and/or our contract manufacturers will seek to obtain regulatory clearance in respect of the product, such as from the FDA, the HSA or other specialised regulatory authorities. For instance, in 2022, we obtained Halal certification by the LPPOM MUI, a Halal certification body in Indonesia and the Middle East, in respect of nine (9) of our N95 respirators and surgical N95 respirators, which is valid for a period of three (3) years from January 2022 to January 2025, including our *Pasture PM 30 N95 Respirator*, marking this as one of the first Halal-certified N95 respirators in the world designed with a novel head strap with an adjustable buckle at the back of the strap. Our contract manufacturers also seek to obtain NIOSH certification in respect of the manufacturing processes for our products. Currently, all the mask manufacturing facilities of our contract manufacturers for our *Pasture Masks* have obtained NIOSH certification and/or FDA clearance. Please refer to the risk factor entitled "*We are dependent on third-party manufacturers and suppliers and may be affected by any disruptions in supply*" for more details on the certifications obtained by our contract manufacturers.

Production

Upon the successful development of a product, the manufacturing and production of our *Pasture Masks* are outsourced to our contract manufacturers. In this regard, the Contract Manufacturing Agreements entered into with some of our key contract manufacturers are generally non-exclusive in nature and provide for key terms such as roles and responsibilities, price and products to be

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supplied to our Group. There are no minimum purchase quantities required by our contract manufacturers under any agreements or arrangements entered into between our contract manufacturers and our Group.

In determining whether our Group should enter into Contract Manufacturing Agreements with any of our contract manufacturers, our Group will consider factors such as the amount and frequency of products supplied by such contract manufacturer, and the history and length of business relationship with such contract manufacturer. For contract manufacturers which our Group has no Contract Manufacturing Agreement in place, the manufacturing and production of our *Pasture Masks* will be conducted on a purchase order basis, as and when orders are received from our customers. Our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong, will remain primarily responsible for providing oversight on such arrangements, and will be supervised by our Audit Committee.

Our Group may also enter into collaboration agreements with our contract manufacturers, which specify that the product will be registered under our “*Pasture Masks*” brand (which is a registered trademark held by our Group) and manufactured by our contract manufacturers. Our Group appoints the contract manufacturers for production, while we are responsible for the marketing and selling of the products under our proprietary brand of *Pasture Masks*. We incur and recognise the project registration costs and marketing related costs as our expenses and the cost of purchasing the products from our contract manufacturers as our cost of sales. There is no cost sharing arrangement under this collaboration.

Each batch of *Pasture Masks* is subject to quality control checks by our contract manufacturers before being supplied to us, and each batch is accompanied by a certificate of analysis confirming that the products meet the required product specifications. Further, to ensure the quality of our products which are manufactured externally, we conduct detailed checks to ensure that each of the contract manufacturers which we partner with possesses a strong track record and reputation, and has the necessary licences and capabilities in place to manufacture products at our desired level of quality, before deciding to engage them as our contract manufacturers. As at the Latest Practicable Date, all of our manufacturers’ mask manufacturing facilities have obtained FDA clearance and/or NIOSH certification, which requires our contract manufacturers to ensure that the manufacturing facility complies with stringent quality assurance protocols and standards, such as conducting randomised sample-testing, undergoing periodic on-site inspections and audits from regulators including the FDA, NIOSH and any local regulatory authorities. Our Group will, from time to time, request for such audited reports and/or inspection certifications from our contract manufacturers. The terms of the Contract Manufacturing Agreements also generally provide that our contract manufacturers are responsible for quality assurance measures, including maintenance of record keeping required by, but not limited to, the Ministry of Health of Singapore, the FDA, NIOSH, the *Good Manufacturing Practice* and ISO certifications, raw material and product inspection for compliance with technical specifications, quality system audits and protecting confidential customer information. In the event that our contract manufacturers encounter any issues resulting in the loss of any relevant approvals, licences or certifications, this would constitute an implied breach of the terms and responsibilities set out in the Contract Manufacturing Agreements. Our Group also maintains a good, long-term business relationship and has constant communication with our contract manufacturers to ensure that we will be kept informed of the latest status of any compliance-related matters.

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Marketing and Sales

Our contract manufacturers pre-package and pre-label the *Pasture Masks*, which are shipped directly from the manufacturing facility to the relevant third-party couriers or freight forwarders to be delivered directly to our customers globally. Our customers mainly comprise distributors, governmental bodies and institutional customers. Our *Pasture Masks* are distributed and sold by us directly in Singapore, and are sold through third-party distribution channels for overseas markets. In addition, as a response to the COVID-19 pandemic, we also started selling certain models of *Pasture Masks* directly to retail customers and the general public through our online retail store.

In this regard, as at the Latest Practicable Date, we have, through our subsidiary, Pasture Pharma, entered into distributorship agreements (the “**Distributorship Agreements**”) with local distributors in Indonesia, Malaysia and Thailand for the distribution of our *Pasture Masks* in each of those jurisdictions by a local distributor (the “**Distributor**”).

The Distributorship Agreements are generally for a term of three (3) years, which may be extended by mutual agreement between the parties. As at the Latest Practicable Date, the Distributorship Agreements entered into by our Group are non-exclusive in nature. In determining whether to extend such Distributorship Agreements, our Group will consider, *inter alia*, the performance of the Distributor in the relevant jurisdiction, size of orders received, track record and history of dealings with the Distributor, payment history of the Distributor and level of risk involved.

The salient terms of the Distributorship Agreements include minimum order quantities required from the Distributors, which, in some agreements, may be reviewed annually. In certain Distributorship Agreements, if a certain level of such minimum order quantity is not achieved, Pasture Pharma may have the right to review such agreement and discuss remedial actions, failing which the relevant Distributorship Agreement may be terminated. The Distributorship Agreements generally provide for termination in the event of, *inter alia*, breach of the terms of the relevant Distributorship Agreement.

Other Medical Supplies

We also engage in the wholesale procurement of medical supplies and devices to distributors, government bodies and institutional customers such as healthcare institutions, hospitals and pharmacies. Such medical supplies and devices include (a) personal protective equipment such as operating gowns, gloves and face shields; (b) medical supplies for sterile processing and infection control, such as bandages and dressings, sterilizers and wound care; (c) surgical instruments and equipment; and (d) diagnostic disposable medical equipment. As at the Latest Practicable Date, we provide our customers with access to a portfolio of over 1,200 medical supplies and devices.

Supply Agreement with McKesson

On 18 October 2022, we entered into a private label supply agreement (the “**McKesson Supply Agreement**”) through our subsidiary, Pasture Pharma, with McKesson Medical-Surgical Inc. (“**McKesson**”) for the supply of medical and surgical supplies and devices (the “**Private Label Products**”) from McKesson to our Group. McKesson is a subsidiary of McKesson Corporation, one of the largest medical and pharmaceutical distribution companies globally and is ranked

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No. 9 on the Fortune 500 list of companies in the U.S.⁵, with US\$264 billion in sales for its financial year ended 31 March 2022⁶. The salient terms of the McKesson Supply Agreement are described below.

The McKesson Supply Agreement is effective for an initial term of three (3) years from the date of the McKesson Supply Agreement and shall be renewed for successive terms of one (1) year thereafter unless terminated in accordance with the terms of the McKesson Supply Agreement.

Under the terms of the McKesson Supply Agreement, Pasture Pharma is granted the non-exclusive right to sell, distribute or sell the Private Label Products intended for resale by Pasture Pharma, its affiliates or its customers, in Singapore, India, Malaysia, Indonesia and Thailand, or any other territory mutually agreed in writing between the parties from time to time (collectively, the “**Permitted Territories**”) and is not permitted to do so outside of the Permitted Territories without the prior written consent of McKesson. Pasture Pharma is also prohibited from procuring or attempting to procure from McKesson’s suppliers, directly or indirectly via any third-party, any of the Private Label Products or products similar to the Private Label Products for sale, distribution or resale by Pasture Pharma, its affiliates or its customers, in the Permitted Territories. Any purchase from McKesson by our Group will be accounted for by us under cost of sales, while the revenue from the sale of the Private Label Products to our customers shall be fully recognised by our Group. Under the terms of the McKesson Supply Agreement, there is no minimum quantity order and the prices of the Private Label Products shall be mutually agreed in writing.

Pursuant to the terms of the McKesson Supply Agreement, either party may terminate the agreement (a) for convenience with at least 180 days’ prior notice to the other party; or (b) with immediate effect by notice to the other party upon (i) the other party being in material breach of the McKesson Supply Agreement which is incapable of remedy or, if the breach is capable of remedy, upon failing to remedy the breach within 30 days; (ii) the other party suspending or ceasing, or threatening to suspend or cease, carrying on all or a substantial part of its business; or (iii) the other party commencing, or having commenced against it, proceedings under any bankruptcy, insolvency, debtor’s relief or similar laws which are not dismissed within 60 days, or making or seeking to make a general assignment for the benefit of creditors or taking any similar action, or applying for or consenting to the appointment of a trustee, receiver or custodian for a substantial part of its property, which is not rejected or revoked within 60 days.

⁵ Source: Fortune, Fortune 500, 2022. Fortune has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

⁶ Source: McKesson, Annual Report – Fiscal Year Ended 31 March 2022. McKesson has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

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Further, Pasture Pharma is required to indemnify and hold McKesson, its officers, directors, shareholders, predecessors, successors in interest, employees, agents, subsidiaries and affiliates harmless from any demands, loss, liability, expenses (including legal fees) or claims made against McKesson by a third-party (including end-users of the Private Label Products) or that may be incurred by McKesson (other than loss arising solely from McKesson's fraud, wilful misconduct or gross negligence) arising out of or in connection with the provision, import, supply, registration, licensing or notification of the Private Label Products, including any claim arising out of (a) failure by Pasture Pharma to obtain the necessary approvals to effect the import, supply or sale of the Private Label Products into the Permitted Territories; (b) Pasture Pharma's appointment, engagement or operation of, and entering into any agreements with any local entities located in the Permitted Territories (the "**Local Entities**"); (c) any acts or omissions of the Local Entities; (d) the breach, negligent performance or failure or delay in performance of the McKesson Supply Agreement by Pasture Pharma, its employees, agents or subcontractors; or (e) any defects in the Private Label Products or their labelling or packaging.

To the best of our knowledge, all manufacturers of McKesson are required to maintain a product liability insurance. In the event that an end-user makes a claim against our Group, our Group, as a purchaser of the Private Label Products, may make a claim for such amount as claimed by an end-user from McKesson and/or its manufacturers.

Our Group believes that the entry into the McKesson Supply Agreement will significantly expand our medical supplies portfolio as we are able to supply and broaden our global distribution network. Our Group intends to submit a purchase order under the McKesson Supply Agreement when the relevant approvals and product registrations for the Private Label Products have been obtained. Our Group does not foresee any difficulty in obtaining such approvals and/or product registrations for the distribution of the Private Label Products given that the Private Label Products and the manufacturers approved by McKesson have obtained the relevant approvals from the FDA and the NIOSH, which are internationally recognised.

Pharmaceutical Wholesale and Drop-Shipment

Introduction

Our pharmaceutical wholesale and drop-shipment division consists of the following services:

- (a) **Wholesale:** We engage in the wholesale of third-party pharmaceutical products to distributors and suppliers of pharmaceutical products. This includes the procurement, product registration and/or licensing, warehousing and marketing of pharmaceutical products. We also value-add by providing direct shipping and delivery services to the end-customers, which include clinics, hospitals, pharmacies and other healthcare and medical institutions.
- (b) **Cold-Chain Management:** We specialise in cold-chain management for our clients, where we provide specialised storage and transport services for temperature-sensitive pharmaceutical products such as vaccines, oncology products and medical aesthetics products.
- (c) **Drop-shipment:** We provide drop-shipment services to our international clients who operate international pharmacies. Our drop-shipment services include the storage and packaging of pharmaceutical products, where such products are packaged and delivered to our clients' customers through third-party couriers or freight forwarders, serving as back-end support of pharmaceutical wholesale supplies to our international clients' wholesale pharmacy businesses.

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As at the Latest Practicable Date, we supply over 1,000 third-party pharmaceutical products, across more than 50 countries, including, *inter alia*, Singapore, Malaysia, Japan and Canada.

Our wholesale and drop-shipment services are required to comply with the *Guidance Notes on Good Distribution Practice* issued by the HSA, which is described in further detail in the section entitled “General Information on our Group – Quality Assurance” of this Offer Document.

Our Wholesale Products Portfolio

We have established a wide variety of pharmaceutical and nutraceutical products within our wholesale portfolio. In particular, we specialise in the wholesale of temperature-sensitive pharmaceutical products. Our wholesale products portfolio includes, among others:

- (a) vaccines such as influenza vaccines, human papillomavirus (HPV) vaccines (such as Gardasil®) and varicella (chickenpox) vaccines;
- (b) oncology products such as Opdivo® and Keytruda®;
- (c) diabetic products such as Saxenda® and Ozempic®;
- (d) nutraceutical products and dietary supplements such as ascorbic acid (Vitamin C); and
- (e) pet pharmaceutical and nutraceutical products, such as NexGard®, Frontline® and Revolution®.

Given our experience and extensive knowledge and connections in the pharmaceutical industry, we are also able to source niche or specialised pharmaceutical products for our customers as and when requested.

Cold-Chain Management

As part of our pharmaceutical wholesale and drop-shipment business segment, we also specialise in the provision of cold-chain management services, which consists of a temperature-controlled supply chain network operated by us to allow for the safe and uninterrupted storage, management and delivery of temperature-sensitive pharmaceutical products, such as vaccines, oncology products and medical aesthetics products.

Our cold-chain management facilities are primarily located at our warehouse, which is equipped with specialised temperature-controlled refrigerators that maintain a temperature of between two (2) to eight (8) degrees Celsius for the storage of temperature-sensitive pharmaceutical products. Our refrigerators are located in designated air-conditioned storage areas which are restricted to authorised personnel only, being our staff who are trained and experienced in the cold-chain management procedure and handling our cold-chain products. If required, we also utilise third-party storage facilities which possess similar cold-chain capabilities, depending on the demand for such cold-chain management services from our customers.

Upon receipt of a cold-chain supply order, our trained staff pack the relevant cold-chain products into specialised cold boxes which are insulated, portable storage containers with validated configurations to store such products at a cold storage temperature of between two (2) to eight (8) degrees Celsius. They are also packed with ice packs or gel packs which are deep-frozen to negative 20 degrees Celsius, to maintain the desired temperatures. The cold boxes allow for the transportation of the cold-chain products while maintaining an uninterrupted chain of

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low-temperature storage. Our cold boxes can maintain the desired temperatures for up to 72, 96 or 120 hours, depending on the transportation and storage needs of our customers. Where required, we also calibrate our packing materials, such as by sweating the ice packs to adjust the temperature of the ice before packing it into the cold boxes, which allows us to adapt to any specific temperature conditions or climates of the receiving country.

To validate and verify the quality of our cold-chain system and ensure the safety of our cold-chain products, temperature data loggers are packed into the cold boxes prior to sealing, to monitor the temperature history of the cold box from the time the cold-chain product is shipped until the time of receipt by our customers. The data captured through the temperature data logger can then be retrieved and reviewed by our customers upon receipt.

All cold-chain management processes are supervised by a store supervisor, who ensures that the receipt, storage and sale of cold-chain products are implemented in accordance with our standard operating procedures, which are implemented in accordance with the *Guidance Notes on Good Distribution Practice* issued by the HSA, as described in further detail in the section entitled “General Information on our Group – Quality Assurance” of this Offer Document.

Drop-Shipment

We also provide drop-shipment services, which is a supply chain management and retail fulfilment method, where our customers, who mostly consist of international pharmacies and healthcare distributors, receive orders from our clients’ customers and send the order to our Group for the fulfilment of the order to our clients’ customers. This provides back-end support for our international customers who operate international pharmacies.

Under our drop-shipment delivery model, we store a combination of (a) pre-paid inventory of pharmaceutical products which have been ordered and paid for in advance by our customer, as well as (b) a common pool of inventory of pharmaceutical products kept by us on-hand, depending on our anticipation of our customers’ demand for such pharmaceutical products from time to time. The pharmaceutical products are kept at our warehouse and to ensure the quality of the pharmaceutical products stored at our warehouse is maintained at all times, we prescribe certain specifications as to the cleanliness, temperature and humidity of the designated storage areas within our warehouse, and the maximum and minimum temperature and humidity of such areas are monitored and recorded daily through the use of hygro-thermometers.

Once a drop-shipment fulfilment order is received from our customers, we pack the products against the relevant delivery orders received for shipment of such orders. The products are then delivered by appointed third-party couriers or freight forwarders to the customers.

Other Services

Introduction

Apart from the wholesale procurement and sale of third-party pharmaceutical products, we are also continuously looking to develop and manufacture our own pharmaceutical products, in line with our core objective of developing new lines of products and services which provide innovative solutions that seek to enhance quality of life. In addition, we are always looking to expand the scope of our product portfolio and service offerings by expanding into new markets within the pharmaceutical products and medical supplies and devices industry, such as the pet pharmaceutical industry.

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Some of our key offerings under this business segment include (a) the development of a range of ODS under our brand name, *Hart-S*; and (b) the introduction of *furlife*, a mobile application designed to provide a comprehensive suite of pet health and nutrition services for pet owners, including a digital health tracker, an online marketplace for pet pharmaceuticals and nutraceuticals and access to various pet health services, both of which are described in further detail below.

Hart-S ODS

We work with a contract manufacturer to develop a range of oral disintegrating strips, or ODS, which offers a novel alternative method of administering medication, as compared to conventional forms of oral medication, which are usually in liquid or pill form.

ODS is a strip which can be dissolved rapidly upon contact with a wet surface such as a patient's tongue, allowing the medication to be administered via sublingual absorption on or under the tongue. This allows medication to be administered to patients without requiring additional liquid to consume the product, providing an alternative to patients who are unable to or have difficulty in swallowing medication, for instance, the elderly or patients suffering from nausea (such as those receiving chemotherapy). The ease of administration of ODS provides greater convenience in administering medication and promotes higher patient compliance and more accurate dosing of the medication being administered.

Our ODS products are sold under our proprietary brand name, *Hart-S*, and are manufactured through a contract manufacturing agreement with Shilpa Therapeutics Pvt Ltd ("**Shilpa**"), a pharmaceutical products manufacturer based in India. The contract manufacturing agreement entered into with Shilpa provides for key terms such as roles and responsibilities, price and products to be supplied to our Group and the minimum order quantities for each product. It also sets out a list of countries and territories where our Group intends to launch the products, and provides that Shilpa shall not sell, enter into or launch products in such markets, provided that in the event the minimum order quantities are not fulfilled by our Group within the stipulated timeframe, Shilpa is free to enter into the market with the relevant products.

However, Shilpa will not be allowed to sell, enter or launch products under our proprietary brand name, *Hart-S*, which is a registered trademark by our Group. Further, in order to safeguard our Group's intellectual property rights, the contract manufacturing agreement entered into with Shilpa provides that it is our Group's responsibility to market and sell the ODS products under our trademarks (which includes *Hart-S*) and trade names.

The manufacturing facility used for the manufacture of *Hart-S* is certified by the MHRA and has also obtained PIC/S approval. We are in the process of obtaining product approvals in Thailand and Malaysia in respect of our *Hart-S ODS*. In relation to the product approval in Thailand, an independent clinical study sponsored by the Government Pharmaceutical Organisation of Thailand was conducted in Thailand between November 2018 and December 2020 in respect of our *Hart-S ODS*, as part of the process of obtaining regulatory approval for our *Hart-S ODS* to be sold in Thailand and as at the Latest Practicable Date, review of our application is currently ongoing. In relation to the product approval in Malaysia, the PIC/S has, in September 2022, completed its assessment of the *Good Manufacturing Practice* in respect of the manufacturing facility that our Group intends to use to manufacture our *Hart-S ODS*, for the purposes of registering our *Hart-S ODS* in Malaysia. As at the Latest Practicable Date, our Group is in the process of applying for the product registration for our *Hart-S ODS* in Malaysia.

GENERAL INFORMATION ON OUR GROUP

During the Period Under Review, our Group did not record any revenue from the sale of our *Hart-S ODS* and the expenses incurred in relation to obtaining product approval in Thailand and Malaysia were approximately US\$3,400, Nil, US\$1,200 and Nil for FY2020, FY2021, FY2022 and 1Q2023, respectively. Accordingly, we do not expect any material adverse implication to our Group's operations and/or financials in the event the approvals for our *Hart-S ODS* are not obtained.

furlife

Our Group's latest venture is the pet pharmaceutical industry, which stemmed from an increase in pet ownership in recent years, particularly during the COVID-19 pandemic, as a result of the various lockdown measures implemented globally.

We identified a growing market for pet pharmaceutical products and services and a need to make pet medicine and wellness solutions accessible to all. Building on our experience in the wholesale of pet pharmaceutical and nutraceutical products, we decided to introduce *furlife* in January 2023, which is a mobile application intended to provide a comprehensive suite of pet health and nutrition services for pet owners, including a digital health tracker, an online marketplace for pet pharmaceuticals and nutraceuticals and access to various pet health services.

We have been actively engaging government agencies to tap on their network and programs for the continuous development and expansion of *furlife*, to include additional pet healthcare management capabilities for pet owners. We introduced a beta version of *furlife* in October 2022, before officially launching *furlife* in January 2023.

CERTIFICATIONS AND ACCREDITATIONS

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

GENERAL INFORMATION ON OUR GROUP

| Certification or accreditation | Issued to | Issuing organisation | Description | Date/Term |
|---|----------------|---|---|------------------------------------|
| Halal Certificate (Halal Decree No. LPPOM-00170140320122) | Pasture Pharma | The Assessment Institute for Foods, Drugs and Cosmetics – The Indonesian Council of Ulama (LPPOM-MUI) | Certification that the following products are declared Halal according to Islamic Law: (a) Pasture PM 10 Surgical N95 Respirator; (b) Pasture PM 15 Surgical N95 Respirator; (c) Pasture PM 15S Surgical N95 Respirator; (d) Pasture PM 16 N95 Respirator; (e) Pasture PM 16S N95 Respirator; (f) Pasture PM 17 N95 Respirator; (g) Pasture PM 18 N95 Respirator; (h) Pasture PM 30 N95 Respirator; and (i) Pasture PM V30 N95 Respirator. | 26 January 2022 to 25 January 2026 |
| Halal Certificate (Halal Decree No. UAE-00170140270122) | Pasture Pharma | The Assessment Institute for Foods, Drugs and Cosmetics – The Indonesian Council of Ulama (LPPOM-MUI) | Certification that the following products are declared Halal according to Islamic Law: (a) Pasture PM 10 Surgical N95 Respirator; (b) Pasture PM 15 Surgical N95 Respirator; (c) Pasture PM 15S Surgical N95 Respirator; (d) Pasture PM 16 N95 Respirator; (e) Pasture PM 16S N95 Respirator; (f) Pasture PM 17 N95 Respirator; (g) Pasture PM 18 N95 Respirator; (h) Pasture PM 30 N95 Respirator; and (i) Pasture PM V30 N95 Respirator. | 26 January 2022 to 25 January 2025 |
| Halal Assurance System Status (No. HS1A25870/012022/PAS) | Pasture Pharma | The Assessment Institute for Foods, Drugs and Cosmetics – The Indonesian Council of Ulama (LPPOM-MUI) | Implementation of the Halal assurance system in respect of No. 1 Zhonger Street, Guang Gu Industrial Park Chibi High-Tech Zone, Hubei, PRC | 26 January 2022 to 25 January 2026 |

GENERAL INFORMATION ON OUR GROUP

| Certification or accreditation | Issued to | Issuing organisation | Description | Date/Term |
|---|----------------|---|--|--|
| Halal Assurance System Status (No. HS1A25869/012022/PAS) | Pasture Pharma | The Assessment Institute for Foods, Drugs and Cosmetics – The Indonesian Council of Ulama (LPPOM-MUI) | Implementation of the Halal assurance system in respect of ZhuFo Ling Industrial Area, Tang Xia, Dongguan City, Guang Dong, PRC | 26 January 2022 to 25 January 2026 |
| Section 510(k) Pre-Market Notification (No. K141875) | Pasture Pharma | Department of Health & Human Services (Food and Drug Administration) | Approval of <i>Pasture 60S Surgical Mask</i> for commercial distribution in the U.S. | 5 May 2015 ⁽¹⁾ |
| Section 510(k) Pre-Market Notification (No. K083176) | Pasture Pharma | Department of Health & Human Services (Food and Drug Administration) | Approval of <i>Pasture A520G N95 Respirator</i> and <i>Pasture F550G N95 Respirator</i> for commercial distribution in the U.S. | 23 January 2009 ⁽¹⁾ |
| Section 510(k) Pre-Market Notification (No. K141876) | Pasture Pharma | Department of Health & Human Services (Food and Drug Administration) | Approval of <i>Pasture 550S Surgical N95 Respirator</i> , <i>Pasture 550CS Surgical N95 Respirator</i> , <i>Pasture A520S Surgical N95 Respirator</i> , <i>Pasture A520CS Surgical N95 Respirator</i> , <i>Pasture 520S Surgical N95 Respirator</i> and <i>Pasture E520CS Surgical N95 Respirator</i> for commercial distribution in the U.S. | 28 October 2015 ⁽¹⁾ |
| SS 620:2016 Good Distribution Practice for Medical Devices (Certificate No. 741315) | Pasture Pharma | Guardian Independent Certification Pte Ltd | Certification that Pasture Pharma has been audited and conforms to the requirements of the <i>Good Distribution Practice for Medical Devices</i> for the import, storage and distribution of active implantable devices, anaesthetic and respiratory devices, dental devices, electro mechanical medical devices, assistive products for persons with disability, non-active implantable devices, ophthalmic and optical devices, reusable devices, single-use devices and in vitro diagnostic devices | 14 May 2021 to 26 December 2023 ⁽²⁾ |

GENERAL INFORMATION ON OUR GROUP

| Certification or accreditation | Issued to | Issuing organisation | Description | Date/Term |
|--|---------------------|--|---|--|
| SS 620:2016 Good Distribution Practice for Medical Devices (Certificate No. 741315a) | Pacific Biosciences | Guardian Independent Certification Pte Ltd | Certification that Pacific Biosciences has been audited and conforms to the requirements of the <i>Good Distribution Practice for Medical Devices</i> for the import, storage and distribution of active implantable devices, anaesthetic and respiratory devices, dental devices, electro mechanical medical devices, assistive products for persons with disability, non-active implantable devices, ophthalmic and optical devices, reusable devices, single-use devices and in vitro diagnostic devices | 14 May 2021 to 26 December 2023 ⁽²⁾ |

Notes:

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

QUALITY ASSURANCE

In accordance with the *Guidance Notes on Good Distribution Practice* and the *Good Distribution Practice for Medical Devices* issued by the HSA, we have implemented Quality Management Systems (QMS) in respect of our mask and medical supplies business segment and our pharmaceutical wholesale and drop-shipment business segment, respectively, to maintain the quality and integrity of our products throughout the entire supply chain process. In this regard, we have also obtained the *SS 620:2016 Good Distribution Practice for Medical Devices*. For further details, please refer to the section entitled “General Information on our Group – Certifications and Accreditations” of this Offer Document.

In this regard, we have established detailed standard operating procedures to ensure that our products are consistently stored and handled in accordance with the relevant standards and guidelines issued by the HSA. All employees who are involved in the storage and handling of our products are required to undergo detailed training sessions in accordance with our standard operating procedures, which include internal training sessions and external training (if required), as well as hands-on training with the supervision of senior and more experienced personnel. This seeks to ensure that our employees are adequately equipped with the relevant skillset and knowledge to maintain the quality of our products during storage, transportation and sale.

GENERAL INFORMATION ON OUR GROUP

We also conduct internal audits annually or as and when necessary, to evaluate our Quality Management Systems and our existing operating procedures and processes for compliance with the relevant standards under the *Guidance Notes on Good Distribution Practice* and the *Good Distribution Practice for Medical Devices*. The internal audit is conducted by our Chief Pharmacist or such other manager assigned by our Executive Chairman and Chief Executive Officer.

The results of each internal audit will be recorded in a formal written report, indicating any non-compliances found, their root causes and the corrective and preventive actions to be taken by our Group. The findings and recommendations in the report will be presented by such persons who had conducted the internal audit to our Executive Chairman and Chief Executive Officer together with other members of our management team, at a management review meeting. Once the findings and recommendations are approved, any changes are implemented within a suitable timeframe, to ensure the continued suitability and effectiveness of our Quality Management Systems. Follow-up reviews may be required for any corrective or preventive action plans which may require more time and resources to implement.

Apart from internal audits, we are also subject to periodic audits conducted by officers from the HSA or such other third-parties sanctioned by them, to ensure compliance and adherence with the *Guidance Notes on Good Distribution Practice* and the *Good Distribution Practice for Medical Devices*. In the event any irregularity and/or deficiency is observed, corrective and preventive actions (CAPA) would be documented by such external audits and our Company would be required to follow up thereafter.

The manufacturing facilities of our contract manufacturers are also subject to stringent audits and inspections from authorities such as the FDA and NIOSH to ensure that the manufacturing facilities and processes comply with the requirements and guidelines in relation to the certifications obtained by the contract manufacturers. Sampling tests are conducted for every 1,000 masks manufactured to ensure compliance with the FDA and/or NIOSH requirements.

As at the Latest Practicable Date, save as disclosed in the sections entitled “Risk Factors” and “General Information” of this Offer Document, there have not been any material adverse findings arising from audits and inspections conducted by regulatory authorities which have resulted in a material adverse impact on our Group.

RESEARCH AND DEVELOPMENT

We have, in the past, incurred expenses in respect of the product development of our *Pasture Masks* since the commencement of our mask and medical supplies business segment in 2005, such as expenses in respect of product testing, conducting clinical trials and/or product registration. Currently, we collaborate with our contract manufacturers to conduct research and development activities, with a view towards improving our existing products and services, as well as expanding our proprietary product portfolio.

We do not have a pre-determined approach on the management and sharing of the costs incurred between us and our contract manufacturers for conducting research and development activities in respect of our products and services, and this varies depending on discussions with our contract manufacturers on a case-by-case basis. Typically, the research and development expenditure may be shared between us and our contract manufacturers, where the costs of producing any prototypes and trial products are borne by our contract manufacturers, while any ancillary marketing and/or administrative expenses, which are generally not substantive, are covered by our Group.

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During the Period Under Review, any expenditure on research and development activities had been recognised as expenses once incurred. However, during the Period Under Review, we did not incur material expenditure relating to research and development activities. While our expenditure in research and development has not been material as at the Latest Practicable Date, we may, if in line with our long-term business strategies and future plans, engage in research and development activities together with our contract manufacturers in the future, such as in connection with expanding our proprietary product portfolio or diversifying into new and complementary business segments, and such research and development expenditure may be shared between us and our contract manufacturers in this regard.

SALES AND MARKETING

Our Group's overall business development and sales and marketing activities are spearheaded by our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong, who is supported by our accounts management team. We regularly engage both new and existing customers to promote our products and/or services from time to time. We also participate in both private and government tenders through our local distributors and/or representatives in other countries to obtain contracts for the wholesale of certain pharmaceutical products and/or medical supplies and devices for government entities.

We publish informational brochures on our *Pasture Masks* which are provided to both existing customers and potential customers of our mask and medical supplies business segment. From time to time, we also seek to increase awareness of our Group and/or our products and services through articles, press releases and/or newspaper reports.

In addition, we also actively participate in pharmaceutical products and/or medical supplies and devices-related events, conventions and/or trade fairs to promote our products and services. Through such events, we are able to establish connections with potential new customers and we follow up with them thereafter to foster good relationships and strengthen our customer base.

MAJOR CUSTOMERS

The following table sets out the customers which accounted for 5.0% or more of our revenue in each of FY2020, FY2021, FY2022 and 1Q2023:

| Major customer | Products or services sold | As a percentage of our total revenue (%) | | | |
|--|---------------------------------------|--|--------|--------|--------|
| | | FY2020 | FY2021 | FY2022 | 1Q2023 |
| Bluesky Inc. ⁽¹⁾ | Aesthetic and pharmaceutical products | 1.1 | 34.4 | 39.6 | 71.9 |
| Adventa Healthcare Sdn Bhd (" Adventa ") ⁽²⁾ | Masks | 2.5 | 9.6 | 28.0 | — |
| Tsubame Lab HK Limited | Vaccines and pharmaceutical products | 8.6 | 9.9 | 7.0 | 10.4 |
| Skypro Medical Supplies Company (" Skypro ") ⁽³⁾ | Masks | 39.3 | — | 5.5 | — |

GENERAL INFORMATION ON OUR GROUP

| Major customer | Products or services sold | As a percentage of our total revenue (%) | | | |
|---|----------------------------|--|--------|--------|--------|
| | | FY2020 | FY2021 | FY2022 | 1Q2023 |
| ST Logistics Pte. Ltd. ⁽⁴⁾ | Masks and medical supplies | 12.1 | 1.8 | – | – |
| McKesson Global Sourcing Ltd ⁽⁵⁾ | Masks | 2.5 | 21.8 | – | – |
| Digitech Finance Inc. ⁽⁴⁾ | Masks | 5.9 | 0.2 | – | – |

Notes:

- (1) Our Group commenced business transactions with Bluesky at the end of FY2020. The percentage of revenue contribution from Bluesky increased since FY2021 mainly due to the increase in orders for pharmaceutical products from Bluesky.
- (2) The percentage of revenue contribution from Adventa increased in FY2021 mainly due to the Adventa Contract entered into in May 2021 to supply masks for a two (2)-year period. The quantity and pricing have been fixed pursuant to the Adventa Contract. The percentage of revenue contribution increased in FY2022 mainly due to the sale of masks under the Adventa Contract for a full financial year. The percentage of the revenue contribution decreased in 1Q2023 mainly due to there being no orders received from Adventa, as a substantial amount of the orders committed under the Adventa Contract had already been fulfilled in the prior two (2) financial years.
- (3) There was a large one-off order from Skypro in FY2020 as a result of the high demand for masks in Hong Kong during the COVID-19 pandemic. Such order did not recur in FY2021, while the revenue in FY2022 was mainly derived from balance orders arising from FY2020.
- (4) The percentage of revenue contributions from ST Logistics Pte. Ltd. and Digitech Finance Inc. decreased in FY2021 mainly as a result of the supply of *Pasture Masks* to such customers during start of the COVID-19 pandemic in FY2020.
- (5) The increase in the percentage revenue contribution from McKesson Global Sourcing Ltd in FY2021 was mainly due to the spike in demand for N95 respirators in the U.S. during the COVID-19 pandemic. No order was received in FY2022 as a result of overstock in the local market after the easing of COVID-19-related restrictions, including regulations and guidelines relating to the wearing of masks.

Revenue contribution from our customers varied from year to year due to the nature of our business being conducted on a demand basis. We may not be awarded orders of a similar size and scope or by the same customers year-on-year.

We have not entered into any long-term contracts with any of our major customers during the Period Under Review.

Save as disclosed above, there are no other customers who accounted for 5.0% or more of our revenue during the Period Under Review. To the best of their knowledge, our Directors are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major customers.

As at the Latest Practicable Date, none of our Directors, Executive Officers, Substantial Shareholders or their respective Associates has any interest, direct or indirect, in our major customers for the Period Under Review.

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MAJOR SUPPLIERS

The following table sets out the suppliers which accounted for 5.0% or more of our total purchases in each of FY2020, FY2021, FY2022 and 1Q2023:

| Major supplier | Products or services purchased | As a percentage of our total purchases (%) | | | |
|---|--------------------------------------|--|--------|--------|--------|
| | | FY2020 | FY2021 | FY2022 | 1Q2023 |
| Makrite Industries Inc. ⁽¹⁾ | Masks | 7.3 | 26.6 | 17.2 | – |
| Hugel Inc. ⁽²⁾ | Aesthetic products | – | 7.0 | 10.9 | 18.3 |
| Euromed Pharma US Inc. ⁽²⁾ | Aesthetic products | – | 3.3 | 9.1 | 6.8 |
| Elbi Ecza Deposu San Ve Tic Ltd Sti ⁽²⁾ | Vaccines and pharmaceutical products | 0.5 | 3.5 | 6.3 | 11.3 |
| Apex Pharmacy Marketing Sdn Bhd | Vaccines and pharmaceutical products | 6.7 | 8.5 | 6.1 | 6.7 |
| Bella Pharma SP. Z O.O. ⁽³⁾ | Aesthetic products | 0.7 | 7.7 | 4.3 | 4.9 |
| Emergee Sagl ⁽⁴⁾ | Aesthetic products | – | 3.9 | 4.1 | 19.9 |
| One-World Inc. | Pharmaceutical products | – | 1.6 | 3.0 | 6.8 |
| SPRO Medical Products (Xiamen) Co., Ltd. ⁽⁵⁾ | Masks | 54.5 | – | 2.7 | – |
| Corena Ecza Deposu V Dis Ticaret Ltd | Vaccines and pharmaceutical products | 4.6 | 5.3 | 2.4 | 2.0 |
| Champak Enterprise Co., Ltd. ⁽⁶⁾ | Masks | 2.8 | 6.9 | – | – |
| Pharmananda Ic Ve Dis Tic A.S | Vaccines and Pharmaceutical products | – | – | – | 5.5 |

Notes:

- (1) The percentage of total purchases from Makrite Industries Inc. increased in FY2021 as our Group had increased orders from Makrite Industries Inc., which has manufacturing facilities located in the PRC, as a result of the temporary export ban of masks imposed in Taiwan during the COVID-19 pandemic. The decrease in percentage of total purchases in FY2022 was mainly due to the decrease in the demand for masks as a result of the easing of COVID-19 restrictions.
- (2) The percentage of total purchases from Hugel Inc., Euromed Pharma US Inc. and Elbi Ecza Deposu San Ve Tic Ltd Sti increased since FY2021 mainly due to an increase in the demand for pharmaceutical products from new customers.
- (3) The percentage of total purchases from Bella Pharma SP. Z O.O. increased in FY2021 as a result of an increase in the demand for pharmaceutical products supplied. The decrease in percentage of total purchases in FY2022 was mainly due to the purchase of aesthetic products from other suppliers.
- (4) The percentage of total purchases from Emergee Sagl increased in 1Q2023 mainly due to an increase in the demand for aesthetic products from one of our major customers.

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- (5) Our Group has purchased a large volume of masks in FY2020 from SPRO Medical Products (Xiamen) Co., Ltd. due to a large order received from our major customer, Skypro. There was no purchase from SPRO Medical Products (Xiamen) Co., Ltd. in FY2021 as the order did not recur from Skypro.
- (6) The percentage of total purchases from Champak Enterprise Co., Ltd. increased in FY2021 due to the increased purchases of masks following the lifting of a temporary export ban of masks by the Taiwanese authorities in May 2021. There was no further business transaction with Champak Enterprise Co., Ltd. in FY2022 as our Group managed to secure and purchase masks from other contract manufacturers.

We have not entered into any long-term contracts with any of our major suppliers during the Period Under Review as this would allow us the flexibility to evaluate and select suppliers who are able to provide us with products and services at competitive prices.

Save as disclosed above, there are no other suppliers who accounted for 5.0% or more of our purchases during the Period Under Review. To the best of their knowledge, our Directors are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major suppliers.

As at the Latest Practicable Date, none of our Directors, Executive Officers, Substantial Shareholders or their respective Associates has any interest, direct or indirect, in our major suppliers for the Period Under Review.

CREDIT TERMS

Credit Terms to our Customers

Payments received from our new customers are generally based on cash terms, advanced payments or secured financial instruments such as a letter of credit until they have demonstrated a prompt payment track record, following which we may extend the relevant credit terms. We generally grant our customers credit terms of between 30 days and 60 days, depending on factors such as creditworthiness, level of risk involved, size of order, payment history records and length of time dealing with the customer. We may review the credit terms on a case-by-case basis upon our customers' request, and may, in certain cases, extend the credit terms or modify the payment terms granted.

The following table sets forth our average trade receivables turnover days for FY2020, FY2021, FY2022 and 1Q2023:

| | FY2020 | FY2021 | FY2022 | 1Q2023 |
|--|--------|--------|--------|--------|
| Average trade receivables turnover days ⁽¹⁾ | 79 | 101 | 11 | 23 |

Note:

- (1) For FY2020, FY2021 and FY2022, average trade receivables turnover days = (Average trade receivables/revenue) x 365 days. For 1Q2023, average trade receivables turnover days = (Average trade receivables/revenue) x 92 days. The calculation of average trade receivables turnover is based on the date invoices are issued to our customers.

The increase in the average trade receivables turnover days from 79 days in FY2020 to 101 days in FY2021 was mainly due to the higher average trade receivables balances against the relatively lower amount of revenue for FY2021 as compared to FY2020. For FY2020 and FY2021, our average trade receivables turnover days were higher than our average credit terms mainly due to delay in payment from our customers during the COVID-19 pandemic in relation to the purchase of masks. In FY2022 and 1Q2023, our turnover days decreased as a substantial portion of the

GENERAL INFORMATION ON OUR GROUP

brought forward trade receivables balances were collected and most of our orders with customers were placed with cash term or advanced payments.

Our Group has established customer credit control procedures to evaluate and assess the creditworthiness of our customers. We monitor our collection of payments as well as trade receivables past due on a regular basis. Specific provision is made when the recoverability of an outstanding debt is in doubt. Allowance for impairment loss on trade receivables will usually be assessed on a case-by-case basis, depending on the creditworthiness of the customers at the relevant time. We may also write-off an outstanding debt when we are certain that the customer is unable to meet its financial obligations. During the Period Under Review, our Group did not recognise any allowance for impairment loss on trade receivables and write off any trade receivables.

As at the Latest Practicable Date, the trade receivables from one of our customers which was due for more than 180 days amounted to approximately US\$0.2 million. This was mainly due to the delay in collection by such customer from its end-customers. The customer is a major customer of our Group who is a subsidiary of a listed company and a key distributor that distributes masks to public hospitals and other healthcare and medical institutions in the jurisdiction that it operates in. Our Group has had a business relationship with this major customer since 2018. As part of our Group's ongoing engagement with the major customer, we have followed up consistently with the customer on the remaining outstanding receivables and have not been informed that the amount will not be recoverable. Subsequent to the end of FY2022 to the Latest Practicable Date, we have received payments with an aggregate amount of approximately US\$20,000.

In assessing whether any provisions are required to be made for the outstanding receivables, we have carefully assessed the credit profile of the customer in accordance with our policy and performed our assessment using the expected credit losses ("ECL") model and debtor-specific assessment in accordance with the SFRS(I) 9. We have not made any provisions for such amount having considered the following: (a) the amount due is from one customer who is also a major customer; (b) our Group intends to continue transacting with such customer; and (c) the customer is a subsidiary of a public-listed company with a distribution network to hospitals and healthcare institution in the country where it is located in. Furthermore, based on the ECL assessment and debtor-specific assessment performed, we are of the view that no provision is required to be made, having considered all reasonable and supportable information such as the customer's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period and forward-looking information such as forecasts of future economic conditions (including the impact of the COVID-19 pandemic). Based on our assessment of the potential impairment loss as elaborated above, our Group is of the view that we are in compliance with the applicable accounting standards and policies.

Credit Terms from our Suppliers

Our suppliers typically require letters of credit from us or grant us credit terms which are determined and negotiated on a case-by-case basis. Credit terms granted by our suppliers generally range from 30 days to 60 days, taking into account factors such as the length of our relationship with the relevant supplier, the size of the transaction, the supplier's evaluation of our creditworthiness and/or the supplier's internal policies.

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The following table sets forth our average trade payables turnover days for FY2020, FY2021, FY2022 and 1Q2023:

| | FY2020 | FY2021 | FY2022 | 1Q2023 |
|---|--------|--------|--------|--------|
| Average trade payables turnover (days) ⁽¹⁾ | 111 | 174 | 39 | 27 |

Note:

(1) For FY2020, FY2021 and FY2022, average trade payables turnover days = (Average trade payables/cost of sales) x 365 days. For 1Q2023, average trade payables turnover days = (Average trade payables/cost of sales) x 92 days.

During the Period Under Review, there has been no material change to the credit terms granted by our suppliers to us. Our average trade payables turnover days were higher at 111 days and 174 days for FY2020 and FY2021, respectively, due to a delay in the payments made to one of our mask contract manufacturers, arising from a corresponding delay in payment from our customer during the COVID-19 pandemic in relation to the purchase of masks. The average trade payables turnover days decreased to 39 days and 27 days in FY2022 and 1Q2023, respectively, due to the reduction in the time taken by our Group to make payment. The trend was also in line with collections from our customers.

INVENTORY MANAGEMENT

Our inventory mainly comprises finished goods and goods for resale for our mask and medical supplies segment and our pharmaceutical wholesale and drop-shipment segment.

Our inventory levels are principally determined by taking into account the number of secured orders, our sales projections and expected demand for products, as well as the lead-time required for the completion of orders. Generally, in practice, our Group's working arrangements with our suppliers or contract manufacturers are such that our Group will start sourcing for the required products after receiving orders from our customers and the order will only be confirmed when the relevant supplier or contract manufacturer has either sufficient stock on hand or the manufacturing capacity to fulfil the required quantities of the order. Once the order is confirmed, our Group usually requires a deposit amount or full advanced payment from our customer to secure the order and to safeguard our Group's interests.

For our wholesale pharmaceutical products, we seek to minimise carrying costs by procuring prepaid committed orders from our customers. Apart from such committed orders, we typically maintain one (1) to two (2) months of inventory levels for products which are high in demand, to fulfil general operational requirements from our customers on a ready basis, based on our anticipation of our customers' demand.

For our masks which are sold under our *Pasture Masks* brand, we typically place orders with our contract manufacturers once we receive a purchase order from our customers so as to minimise our inventory levels. We typically maintain one (1) to two (2) months of inventory levels to fulfil demand, based on our sales projection.

For the storage of our inventories, we undertake prudent measures to ensure that inventories that are flammable or susceptible to quality deterioration are properly and safely stored. Temperature-sensitive products are stored in our temperature-controlled warehouses or freezers, depending on their temperature requirements. We have data-loggers installed in these premises to ensure that the temperature at our storage facility is consistent throughout in order to prevent any quality deterioration.

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We regularly monitor the condition and expiry of our inventory and review our stock levels in tandem with orders and sales prospects. Where required, products which are expired, damaged or obsolete (as the case may be) are disposed of in accordance with our standard operating procedures.

We conduct a full stock take of inventory on a half-yearly basis and on a weekly basis we will also conduct a stock count to report and update our customers who have placed a large quantity with us. The results are verified against and reconciled with our inventory records. Any major discrepancies in stock count will be investigated, and corrective measures implemented. Where necessary, write-offs are required to be approved by management.

Our average inventory turnover days for FY2020, FY2021, FY2022 and 1Q2023 are as follows:

| | FY2020 | FY2021 | FY2022 | 1Q2023 |
|--|--------|--------|--------|--------|
| Average inventory turnover (days) ⁽¹⁾ | 23 | 55 | 49 | 64 |

Note:

(1) For FY2020, FY2021 and FY2022, average inventory turnover days = (average inventory balance/cost of sales) x 365 days. For 1Q2023, average inventory turnover days = (average inventory balance/cost of sales) x 92 days.

The increase in the average inventory turnover days from 23 days in FY2020 to 55 days in FY2021 was mainly due to higher inventory level of our masks as at the end of FY2021. For FY2021 and FY2022, our average inventory turnover days remained relatively stable. The increase in the average inventory turnover days from 49 days in FY2022 to 64 days in 1Q2023 was mainly due to prepaid pharmaceutical products for one of our major customers which had not been shipped out as at the end of 30 September 2022. The inventory levels maintained are still in line with our policy and we will continually assess the adequacy of the provision for inventory obsolescence and/or inventory written off, where necessary, at the end of each financial year.

MATERIAL PROPERTIES AND FIXED ASSETS

Properties Owned by our Group

As at the date of this Offer Document, our Group does not own any material property.

In connection with the Property Disposal, an option to purchase was granted by Pasture Pharma on 9 January 2023 to Lucky Khoon Bathroom Studio Pte. Ltd. (the “**Purchaser**”) in respect of the property located at Block 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 (the “**TradeHub Property**”) for a consideration of S\$2,100,000.00, which was exercised by the Purchaser on 10 January 2023. Completion of the Property Disposal took place on 31 March 2023. Our Group entered into a lease in respect of the TradeHub Property with a term commencing on 1 April 2023, further details of which are disclosed in the section entitled “General Information on our Group – Material Properties and Fixed Assets – Properties Leased by our Group” of this Offer Document.

GENERAL INFORMATION ON OUR GROUP

Properties Leased by our Group

As at the date of this Offer Document, our Group leases the following material properties:

| Lessee | Location | Tenure | Approximate gross floor area (sq m) | Lessor | Usage |
|-------------------------------|---|-----------------------------------|-------------------------------------|--|------------------------|
| Pasture Pharma ⁽¹⁾ | Block 20 Boon Lay Way, #01-168 TradeHub 21, Singapore 609967 (Second Floor) | 15 June 2022 to 31 October 2023 | 148.0 | Tots n Toys Pte. Ltd. | Office |
| Pasture Pharma ⁽²⁾ | 36 Jalan Tukang #05-01, Singapore 619266 (the “36 Jalan Tukang Property”) | 6 March 2023 to 5 March 2026 | 1,868.0 | Biosensors Interventional Technologies Pte. Ltd. | Warehousing and Office |
| Pasture Pharma ⁽³⁾ | Block 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 (the “TradeHub Property”) | 1 April 2023 to 30 September 2023 | 358.0 | Lucky Khoon Bathroom Studio Pte. Ltd. | Warehousing and Office |

Notes:

- (1) Under the terms of the lease agreement, in the event that (a) the rent is not paid for seven (7) days after it is due; or (b) Pasture Pharma is in breach of any of its conditions, covenants or stipulations contained in the lease agreement, the lessor is entitled to re-enter the property and thereupon the tenancy shall immediately absolutely determine. Further, in the event the property is destroyed or damaged, either party shall be at liberty by notice in writing to the other to determine the tenancy, and upon such notice being given, the tenancy or the balance thereof shall absolutely cease and determine.
- (2) Under the terms of the lease agreement, the lessor is entitled to re-enter the property and forfeit the lease immediately in the event that: (a) the rent or any other payment under the lease is more than 30 days overdue (whether formally demanded or not); (b) Pasture Pharma is in breach of any of its obligations under the lease; (c) an Event of Insolvency (as defined in the lease agreement) occurs in relation to Pasture Pharma; or (d) Pasture Pharma is struck off the register of companies. In addition, the lessor has the right to terminate the agreement by written notice in the event that: (i) Pasture Pharma is in material breach of its obligations under the lease agreement and fails to cure such breach within 30 days after receipt of written notice thereof from the lessor; (ii) a change in the permitted use of the property occurs; or (iii) there is an institution by or against Pasture Pharma of any proceedings for the settlement of Pasture Pharma's debts, upon Pasture Pharma making an assignment for the benefit of creditors, or upon its dissolution, ceasing, or threatening to cease, to do business. Further, where either party is deprived of the benefit of the other party's obligations under the lease agreement due to a force majeure event which continues for a period of 90 days, such party is entitled to terminate the lease immediately by giving notice in writing to the other party.
- (3) Under the terms of the lease agreement, in the event that (a) the rent or service charge is not paid for seven (7) days after its due date (whether formally demanded or not); (b) Pasture Pharma is in breach of any of its conditions, covenants or stipulations contained in the lease agreement; or (c) there are liquidation, bankruptcy, distress or other proceedings against Pasture Pharma, the lessor is entitled to re-enter the property and thereupon the tenancy shall absolutely determine. Further, if the unfitness of the property or inaccessibility thereto continues for a period of more than three (3) months, either party shall be at liberty by notice in writing to the other to determine the tenancy, and upon such notice being given, the tenancy or the balance thereof shall absolutely cease and determine.

GENERAL INFORMATION ON OUR GROUP

Our Group entered into the tenancy agreement in respect of the 36 Jalan Tukang Property after taking into account, *inter alia*, the anticipated increase in warehousing requirements in the future by our Group, further to our expansion plans and plans to enter into new collaborations, including the McKesson Supply Agreement and to consolidate our warehouse operations and administrative office under one space. Further details of the McKesson Supply Agreement and our Group's future plans can be found in the sections entitled "General Information on our Group – Our Business Segments – Mask and Medical Supplies" and "General Information on our Group – Business Strategies and Future Plans" of this Offer Document, respectively.

As at the Latest Practicable Date and the date of this Offer Document, our Group has not commenced any operations at the 36 Jalan Tukang Property. The commencement of our Group's operations at the 36 Jalan Tukang Property is subject to, amongst others, our Group having obtained all requisite approvals from the HSA for its operations at the new premises (the "**Relevant Approvals**"). In the event of any delay in obtaining the Relevant Approvals, in order to ensure a smooth transition from our Group's previous office and warehousing space at the TradeHub Property to the 36 Jalan Tukang Property, Pasture Pharma and the Purchaser have entered into a tenancy agreement in respect of the TradeHub Property, whereby Pasture Pharma shall rent the TradeHub Property for a monthly consideration of S\$9,000 for a period of six (6) months commencing from 1 April 2023, which shall be renewable for another six (6) months thereafter upon the written request of Pasture Pharma made not less than three (3) months before the date of expiry of the initial term of the tenancy. Accordingly, in the event there is a delay in obtaining the Relevant Approvals, our Group would still be able to continue our usual business and operations at the TradeHub Property.

As at the Latest Practicable Date, our Group intends to set aside approximately US\$0.5 million of the net proceeds from the Property Disposal after full repayment of the bank loan relating to the TradeHub Property for renovations costs for the 36 Jalan Tukang Property.

As at the Latest Practicable Date, to the best of our Directors' knowledge, none of the lessors above are directly or indirectly related to our Group and our Directors, Executive Officers, Substantial Shareholders and/or their respective Associates.

Save as disclosed in the sections entitled "Risk Factors" and "General Information on our Group – Government Regulations" of this Offer Document, there are currently no regulatory requirements or environmental issues that may materially affect our Group's utilisation of the above properties.

MATERIAL LICENCES, PERMITS, REGISTRATIONS AND APPROVALS

Our Group's principal business activities are located in Singapore. We are subject to regulation by applicable laws, regulations and government agencies in Singapore. These regulations require us to possess various licences, permits, registrations or approvals.

As at the Latest Practicable Date, our Group has the following material approvals, licences and permits:

GENERAL INFORMATION ON OUR GROUP

| Licence holder | Licensing body/ Issuing body | Licence name/ number | Effective date | Expiry date |
|------------------------|---------------------------------|--|----------------------|---------------------------------|
| Pasture Pharma | HSA | Therapeutic Products – Wholesaler's Licence (Licence No. W00406) | 19 July 1996 | 21 July 2023 |
| Pasture Pharma | HSA | Therapeutic Products – Importer's Licence (Licence No. IMTPF1600232) | 19 November 2016 | 18 November 2023 |
| Pasture Pharma | HSA | Dealer's Licence – Importer (Licence No. ES0001784) | 1 November 2010 | 1 November 2023 |
| Pasture Pharma | HSA | Dealer's Licence – Wholesaler (Licence No. ES0001785) | 1 November 2010 | 1 November 2023 |
| Pasture Pharma | HSA | Form A Poisons Licence for Veterinary Products (Licence No. POFA2200218) | 17 September 2022 | 9 October 2023 |
| Pacific Biosciences | HSA | Therapeutic Products – Wholesaler's Licence (Licence No. W00439) | 10 May 2001 | 9 May 2023 ⁽¹⁾ |
| Pacific Biosciences | HSA | Therapeutic Products – Importer's Licence (Licence No. IMTPF1600233) | 21 November 2016 | 20 November 2023 |
| Pacific Biosciences | HSA | Form A Poisons Licence for Veterinary Products (Licence No. POFA2200068) | 6 April 2022 | 29 April 2023 ⁽²⁾ |
| Pacific Biosciences | HSA | Dealer's Licence – Wholesaler (Licence No. ES0500063) | 7 November 2017 | 6 November 2023 |

GENERAL INFORMATION ON OUR GROUP

| Licence holder | Licensing body/ Issuing body | Licence name/ number | Effective date | Expiry date |
|---------------------|---------------------------------|--|---------------------|---------------------|
| Pacific Biosciences | HSA | Medical Device Special Access Route Licence (Licence No. MDSAIR1202200047) | 13 December 2022 | 13 December 2023 |

Notes:

- (1) Following the Latest Practicable Date, Pacific Biosciences has renewed the Therapeutic Products – Wholesaler’s Licence (Licence No. W00439), with an updated expiry date of 9 May 2024.
- (2) Following the Latest Practicable Date, Pacific Biosciences has obtained a new Form A Poisons Licence for Veterinary Products (Licence No. POFA2300084), with an effective date of 9 April 2023 and an expiry date of 29 April 2024.

As at the Latest Practicable Date, our Group has obtained all requisite approvals, licences and permits, and is in compliance with laws and regulations, that would materially affect our business operations. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further information.

Our Group is subject to periodic audits from the HSA to ensure compliance with the terms of our licences set out above. Subject to compliance with the results of such audits, the term of our licences will be periodically extended and/or renewed by the HSA.

INTELLECTUAL PROPERTY RIGHTS

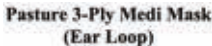
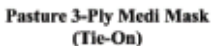
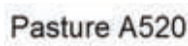



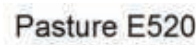





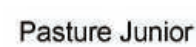

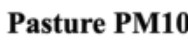


We recognise the importance of protecting and enforcing our intellectual property rights. We rely on a combination of registered trademarks as well as non-competition, confidentiality and license agreements with our employees, suppliers and other parties to protect our intellectual property rights.

Save as disclosed below, we do not own or use any other registered trademarks, designs, patents, internet domain names or intellectual property which are material to our business. During the Period Under Review and up to the Latest Practicable Date, we did not have any dispute or any other pending legal proceedings concerning intellectual property rights.



GENERAL INFORMATION ON OUR GROUP

Trademarks

As at the Latest Practicable Date, the following trademarks have been registered by our Group:

| Trademark | Place of registration | Registered owner | Registration number | Class ⁽¹⁾ | Registration date | Expiry date |
|---|-----------------------|------------------|---------------------|----------------------|-------------------|---------------|
|  | Singapore | Pasture Pharma | 40201910989P | 10 | 21 May 2019 | 21 May 2029 |
|  | Singapore | Pasture Pharma | 40201910992Q | 10 | 21 May 2019 | 21 May 2029 |
|  | Singapore | Pasture Pharma | 40201803905V | 10 | 5 March 2018 | 5 March 2028 |
|  | Singapore | Pasture Pharma | 40201803915Y | 10 | 5 March 2018 | 5 March 2028 |
|  | Singapore | Pasture Pharma | 40201803913W | 10 | 5 March 2018 | 5 March 2028 |
|  | Singapore | Pasture Pharma | 40201815199S | 5 | 3 August 2018 | 3 August 2028 |
|  | Singapore | Pasture Pharma | 40201803911S | 10 | 5 March 2018 | 5 March 2028 |
|  | Singapore | Pasture Pharma | 40201803914U | 10 | 5 March 2018 | 5 March 2028 |
|  | Singapore | Pasture Pharma | 40201803912Q | 10 | 5 March 2018 | 5 March 2028 |
|  | Singapore | Pasture Pharma | 40201803908Q | 10 | 5 March 2018 | 5 March 2028 |
|  | Singapore | Pasture Pharma | 40201803906R | 10 | 5 March 2018 | 5 March 2028 |
|  | Singapore | Pasture Pharma | 40201803909W | 10 | 5 March 2018 | 5 March 2028 |
|  | Singapore | Pasture Pharma | T0907474E | 10 | 7 July 2009 | 7 July 2029 |
|  | Singapore | Pasture Pharma | 40201804180W | 10 | 6 March 2018 | 6 March 2028 |
|  | Singapore | Pasture Pharma | 40201910995Y | 10 | 21 May 2019 | 21 May 2029 |
|  | Singapore | Pasture Pharma | 40201910996X | 10 | 21 May 2019 | 21 May 2029 |
|  | Singapore | Pasture Pharma | 40201911001P | 10 | 21 May 2019 | 21 May 2029 |

GENERAL INFORMATION ON OUR GROUP

| Trademark | Place of registration | Registered owner | Registration number | Class ⁽¹⁾ | Registration date | Expiry date |
|--|-----------------------|---------------------|---------------------|----------------------|-------------------|------------------|
| Pasture PM15S | Singapore | Pasture Pharma | 40201911005U | 10 | 21 May 2019 | 21 May 2029 |
| Pasture PM16 | Singapore | Pasture Pharma | 40201911006T | 10 | 21 May 2019 | 21 May 2029 |
| Pasture PM16S | Singapore | Pasture Pharma | 40201911010X | 10 | 21 May 2019 | 21 May 2029 |
| Pasture PM17 | Singapore | Pasture Pharma | 40201911011Y | 10 | 21 May 2019 | 21 May 2029 |
| Pasture PM18 | Singapore | Pasture Pharma | 40201911012T | 10 | 21 May 2019 | 21 May 2029 |
| Pasture PM20 | Singapore | Pasture Pharma | 40202015663X | 10 | 28 July 2020 | 28 July 2030 |
| Pasture PM25 | Singapore | Pasture Pharma | 40201911014S | 10 | 21 May 2019 | 21 May 2029 |
| Pasture PM30 | Singapore | Pasture Pharma | 40202005332U | 10 | 12 March 2020 | 12 March 2030 |
| Pasture PMV20 | Singapore | Pasture Pharma | 40202015664V | 10 | 28 July 2020 | 28 July 2030 |
| Pasture PMV30 | Singapore | Pasture Pharma | 40202005334Y | 10 | 12 March 2020 | 12 March 2030 |
| Pasture Senior S95 | Singapore | Pasture Pharma | 40201803910P | 10 | 5 March 2018 | 5 March 2028 |
| Pasture 60S | Singapore | Pasture Pharma | 40201803907P | 10 | 5 March 2018 | 5 March 2028 |
| Pasture F550G | Singapore | Pasture Pharma | T0817051A | 10 | 3 December 2008 | 3 December 2028 |
| Pasture Crown | Singapore | Pasture Pharma | T0907475C | 10 | 7 July 2009 | 7 July 2029 |
| Pasture A520G | Singapore | Pasture Pharma | T0817050C | 10 | 3 December 2008 | 3 December 2028 |
| NT-V2 | Singapore | Pasture Pharma | T0624552B | 10 | 13 November 2006 | 13 November 2026 |
|  HARTS <small>(Oral) Contraceptive Steroids (HRT)</small> | Singapore | Pacific Biosciences | 40201504908U | 5 | 24 March 2015 | 24 March 2025 |
|  Normit <small>Oral Contraceptive Steroids (HRT)</small> | Singapore | Pacific Biosciences | 40201507186S | 5 | 4 May 2015 | 4 May 2025 |

GENERAL INFORMATION ON OUR GROUP








Note:

- (1) The classification of goods and services is according to the international classification of goods and services under the Nice Agreement 1957 to which Singapore is a signatory.

Class 5 refers to pharmaceuticals, medical and veterinary preparations; sanitary preparations for medical purposes; dietetic food and substances adapted for medical or veterinary use, food for babies; dietary supplements for human beings and animals; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.

Class 10 refers to surgical, medical, dental and veterinary apparatus and instruments; artificial limbs, eyes and teeth; orthopaedic articles; suture materials; therapeutic and assistive devices adapted for persons with disabilities; massage apparatus; apparatus, devices and articles for nursing infants; sexual activity apparatus, devices and articles.

As at the Latest Practicable Date, the following trademarks have been applied for by our Group:

| Trademark | Place of application | Applicant | Application number | Class ⁽¹⁾ | Application date | Status |
|---|----------------------|---------------------|--------------------|----------------------|------------------|---------|
|  | Singapore | Pasture Pharma | 40202255918H | 35 | 4 October 2022 | Pending |
|  | Singapore | Pasture Pharma | 40202255917H | 10 | 4 October 2022 | Pending |
|  | Singapore | Pasture Pharma | 40202255914U | 35 | 4 October 2022 | Pending |
|  | Singapore | Pasture PharmaHub | 40202259231T | 35 | 21 October 2022 | Pending |
|  | Singapore | Pasture Pharma | 40202253676D | 35 | 19 August 2022 | Pending |
|  | Singapore | Pacific Biosciences | 40202255932U | 35 | 4 October 2022 | Pending |
| Ezy-Breathe | Singapore | Pasture Pharma | 40202262045P | 10 | 1 November 2022 | Pending |
| Pasture iProtect | Singapore | Pasture Pharma | 40202262046Y | 10 | 1 November 2022 | Pending |
|  | Singapore | Our Company | 40202262349V | 35 | 8 November 2022 | Pending |

Note:

- (1) The classification of goods and services is according to the international classification of goods and services under the Nice Agreement 1957 to which Singapore is a signatory.

Class 10 refers to surgical, medical, dental and veterinary apparatus and instruments; artificial limbs, eyes and teeth; orthopaedic articles; suture materials; therapeutic and assistive devices adapted for persons with disabilities; massage apparatus; apparatus, devices and articles for nursing infants; sexual activity apparatus, devices and articles.

Class 35 refers to advertising by transmission of on-line publicity for third-parties through electronic communications networks; advertising services provided via a database; advertising services provided over the internet; advertising, marketing and promotional services; digital advertising services; dissemination of advertising for others via the Internet.

GENERAL INFORMATION ON OUR GROUP

Web Domains

As at the Latest Practicable Date, the following domain names are owned by our Group:

| Web domain | Registered owner | Registration date | Expiry date |
|--------------------|------------------|-------------------|-------------------|
| pasturegroup.com | Pasture Pharma | 24 September 2002 | 24 September 2023 |
| pasturemask.com | Pasture Pharma | 6 January 2022 | 6 January 2024 |
| pasturepet.com | Pasture Pharma | 5 October 2020 | 5 October 2023 |
| pasturepetmeds.com | Pasture Pharma | 5 October 2020 | 5 October 2023 |
| healthfurlife.com | Pasture Pharma | 6 September 2022 | 6 September 2023 |
| furlife.app | Pasture Pharma | 12 September 2022 | 12 September 2023 |
| maskhave.com | Pasture Pharma | 22 May 2014 | 22 May 2023 |
| maskhaves.com | Pasture Pharma | 22 May 2014 | 22 May 2023 |
| pacificbios.com | Pasture Pharma | 27 August 2012 | 27 August 2023 |

Our Group engages a third-party vendor to renew the domain names periodically prior to expiration.

INSURANCE

As at the Latest Practicable Date, we maintain the following comprehensive insurance policies to cover, amongst others, our risks relating to:

- (a) product liability, property damage and public liability insurance;
- (b) insurance for our employees, including work injury compensation and group personal accident insurance;
- (c) fire insurance for our wholesale facility and our office premises; and
- (d) industrial all-risks insurance and property all-risks insurance to cover the loss or damage.

Based on an overall assessment of the operating risks for our present business operations, our Directors are of the view that our insurance coverage is adequate and is in line with industry practice. We will continue to regularly review and assess our risk portfolio and adjust our insurance coverage for our business operations, properties and/or assets based on our needs and industry practice.

COMPETITION

The pharmaceutical products and medical supplies and devices industry is highly fragmented and competitive. In respect of our mask and medical supplies business segment, we believe we face competition from other manufacturers of masks and other similar products, such as Kimberly-Clarke Corporation, Honeywell International Inc. and 3M Company. In respect of our pharmaceutical wholesale and drop-shipment business segment, we believe we face competition from other local wholesalers and suppliers of similar pharmaceutical and nutraceutical products, such as Hyphens Pharma International Limited.

GENERAL INFORMATION ON OUR GROUP

COMPETITIVE STRENGTHS

We believe our continued success is attributable to the following competitive strengths:

We have an established market presence through our *Pasture Masks* which are used by various medical and healthcare institutions, a customer group where our long-standing relationship and access is difficult to replicate

We have an established track record of more than 26 years in the pharmaceutical products and medical supplies and devices industry. We are a well-known and internationally recognised wholesaler and supplier of pharmaceutical products and medical supplies and devices to our customers globally.

Our established track record is demonstrated by our strong and long-standing relationships with our key customers. Since we commenced operations for our mask and medical supplies segment in 2005, we have gradually increased our customer base and have established a significant presence internationally. During the Period Under Review, a significant proportion of revenue was derived from recurring customers, which is testament to the strong relationships we maintain with our customers and the quality of our products and services. We believe that over the years, customers have come to associate our *Pasture Mask* brand name with reliable products which are of a consistently high quality with competitive pricing. For more details, please refer to the section entitled “General Information on our Group – Major Customers” of this Offer Document.

We believe that our high standards of service levels, such as our strong customer service, quick turnaround and response time, timely and efficient sourcing and competitive pricing enables us to compete effectively with our key competitors. Our customers comprise mainly global and regional distributors of pharmaceutical products and medical supplies and devices, government and healthcare institutions, spanning across over 50 countries globally. We operate in an industry which is highly regulated and as such our customers are generally selective and stringent in their selection of suppliers for pharmaceutical products and medical supplies and devices, given the need to maintain a high standard of quality to ensure that health and safety is not compromised. As such, the selection of our Group as their supplier of pharmaceutical products and/or medical supplies and devices demonstrates the trust and confidence that our customers have in us, including our ability to provide quality, effective and innovative products to meet their needs.

We have a comprehensive and well-known product portfolio, and we have strong, long-standing relationships with our major suppliers

We offer a comprehensive portfolio of internationally recognised and reputable pharmaceutical products and medical supplies and devices, which we market and supply through our robust supply chain network and strong marketing and distribution capabilities. As at the Latest Practicable Date, we supply over 1,000 third-party pharmaceutical products and provide our customers with access to a portfolio of over 1,200 medical supplies and devices globally.

We are constantly looking to partner with well-known suppliers to expand our portfolio of pharmaceutical products and medical supplies and devices. In this regard, we have developed strong relationships with leading wholesalers and manufacturers of pharmaceutical products and medical supplies and devices such as Makrite Industries Inc., Shilpa Therapeutics Pvt Ltd, SPRO Medical Products (Xiamen) Co., Ltd. and Champak Enterprise Co. Ltd., some of which carry well-known international pharmaceutical products and medical device brands and have been able to supply to us on a timely basis. We have also entered into the McKesson Supply Agreement, which is a private label supply agreement with McKesson in October 2022 in relation to a

GENERAL INFORMATION ON OUR GROUP

collaborative arrangement for the supply of the Private Label Products by McKesson to our Group for an initial term of three (3) years as described in further detail in the section entitled “General Information on our Group – Our Business Segments – Mask and Medical Supplies – Other Medical Supplies” of this Offer Document. In addition, due to our extensive years of operating in the industry, we are also able to source for pharmaceutical products and/or medical supplies and devices from our extensive and established supply network that may be niche or may not be easily available.

We believe that our comprehensive range of products and established track record and reputation with our major suppliers enables us to cement our position as a well-known global wholesaler and distributor of pharmaceutical products and medical supplies and devices.

In addition, we possess capabilities to handle temperature-sensitive pharmaceutical products such as vaccines, oncology products and medical aesthetics products. In this regard, we have specialised cold-chain management capabilities that enable us to operate and coordinate with our logistic partners to provide an uninterrupted and safe temperature-controlled supply chain network for the storage, management and delivery of such temperature-sensitive pharmaceutical products, further details of which are set out in the section entitled “General Information on our Group – Our Business Segments – Pharmaceutical Wholesale and Drop-Shipment – Cold-Chain Management” of this Offer Document. We believe that the barriers to entry for such cold-chain management services are relatively high, as such operations require substantial investments in the appropriate technology and equipment, as well as stringent quality control measures. Accordingly, we believe that our experience and knowledge on cold-chain management and our ability to provide high-quality and effective cold-chain management services provide us with a competitive advantage in the industry that we are operating in.

We have demonstrated quality assurance capabilities

We believe we have implemented various measures which demonstrate our capabilities and adherence to high standards in respect of our pharmaceutical products and medical supplies and devices business.

The key suppliers which we work with to manufacture pharmaceutical products and medical supplies and devices have obtained key international standard accreditations and certifications in respect of their manufacturing facilities, such as ISO certifications and the relevant clearances and/or certifications from the FDA and/or NIOSH. The clearance and/or certification process by the FDA and NIOSH require the contract manufacturers who we work with to comply with stringent quality assurance protocols, including conducting randomised sample-testing for each batch of masks being manufactured, and for each batch of products supplied to us to be accompanied by a certificate of analysis confirming that the products meet the required product specifications. In addition, our suppliers’ manufacturing facilities are required to undergo stringent periodic audits and inspections from relevant regulators, which includes on-site visits and sample-testing of the products being produced at that facility to ensure adherence to the relevant standards imposed.

We have also continuously expanded our outsourced manufacturing capabilities, through increasing the number of manufacturers and manufacturing facilities which we work with, from collaborating with our first manufacturer in respect of a mask manufacturing facility in Taiwan in 2005, to having collaborations with manufacturers in respect of five (5) mask manufacturing facilities across the PRC, Taiwan and Thailand as at the Latest Practicable Date, so as to reduce reliance on any sole manufacturing facility and to ensure minimal disruption of our products and/or services to our customers.

GENERAL INFORMATION ON OUR GROUP

In respect of our in-house warehousing and distribution facilities, we have put in place stringent standard operating procedures in respect of the receipt, storage and handling of products and controlled drugs, to ensure that the quality of our pharmaceutical products and medical supplies and devices are not compromised. Our Group has also employed qualified pharmacists to oversee the overall inventory, wholesale and distribution of our pharmaceutical products. Please refer to the section entitled “General Information on our Group – Quality Assurance” of this Offer Document for further details of our quality assurance measures.

In addition, we believe we have demonstrated our quality assurance capabilities in respect of the proprietary products we develop. As at the Latest Practicable Date, we have obtained 14 FDA clearances and 20 NIOSH certifications in respect of our *Pasture Masks*, which signals our commitment towards developing high-quality, innovative products and solutions, as recognised through internationally-renown standards.

We believe that each of the foregoing quality assurance measures instils confidence in our customers that we will deliver high-quality, reliable and effective pharmaceutical products and medical supplies and devices, thereby making us a trusted and preferred partner to our customers.

We have an experienced and dedicated management team with an established track record in delivering innovative solutions and operational business expertise

Our management team has extensive industry knowledge, experience and operational expertise. Our Group is founded and led by our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong, who is responsible for managing the day-to-day operations, developing the business plan, strategic goals and strategies of our Group and overseeing and evaluating the overall growth and performance of our Group. Prior to founding our Group, Mr. Lloyd Soong has had over 39 years of experience in the pharmaceutical products and medical supplies and devices industry and possesses extensive industry knowledge and expertise in the fields of nanotechnology and immunology. Mr. Lloyd Soong also spearheads various of our Group’s product development activities together with our contract manufacturing partners especially in the development of our *Pasture Masks*, based on his extensive industry knowledge, experience and feedback from his interactions with various market players.

Mr. Lloyd Soong is supported by our dedicated, experienced and highly qualified management team. Key members of our management team include our Chief Financial Officer, Mr. Titus Cheong and our Chief Pharmacist, Ms. Ho Huey-Yi, each of whom are highly qualified and competent professionals in their respective areas of expertise, with strong operational expertise and a good track record. They are committed to the development of our business and to growing our Group into a leading pharmaceutical products and medical supplies and devices company, and will continue to chart the strategy, business operations and future plans to ensure the continuing success of our Group.

With an established track record of our management team, we have earned the recognition of a vast network of customers and have built long-standing working relationships with them, which has been instrumental to our continued growth. For more details, please refer to the section entitled “Directors, Executive Officers and Employees” of this Offer Document.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the growth and expansion of our businesses are as follows:

GENERAL INFORMATION ON OUR GROUP

Strengthening our existing business segments and diversification into new geographical market segments

We believe we can leverage on our strong market presence, established brand reputation and long-standing track record to expand and strengthen our existing business segments, as well as diversify into new geographical market segments within the pharmaceutical products and medical supplies and devices industry. With our existing know-how and strong understanding of the pharmaceutical products and medical supplies and devices industry, we believe that we will be able to constantly identify new growth areas and develop new products and services that will effectively and efficiently meet the needs of the industry.

Mask and Medical Supplies

In relation to our mask and medical supplies business segment, we intend to continue expanding our range of *Pasture Masks*, by developing proprietary solutions that meet the needs of our end-customers. For instance, in 2022, we obtained Halal certification by the LPPOM MUI, a Halal certification body in Indonesia and the Middle East, in respect of nine (9) of our N95 respirators and surgical N95 respirators, including our *Pasture PM 30 N95 Respirator*, marking this as one of the first Halal-certified N95 respirators in the world with a novel head strap. As such, our Group intends to explore opportunities to market and sell our N95 respirators and surgical N95 respirators to customers and/or distributors in Malaysia, Indonesia and the Middle East which have a predominantly Muslim population. In addition, our Group will also explore opportunities to market and sell our N95 respirators and surgical N95 respirators to customers and/or distributors in other markets, such as India.

In relation to medical supplies, we have, in October 2022, entered into the McKesson Supply Agreement for the supply of the Private Label Products from McKesson to our Group for an initial term of three (3) years, which would significantly expand the list of medical supplies portfolio that we can supply and also broaden our global distribution outreach to other countries and regions, such as India. Please refer to the section entitled “General Information on our Group – Our Business Segments – Mask and Medical Supplies – Other Medical Supplies” of this Offer Document for further details of the McKesson Supply Agreement.

Pharmaceutical Wholesale and Drop-Shipment

In relation to our pharmaceutical wholesale and drop-shipment business, we intend to continue to expand our geographical reach and reputation globally, by entering into new high-growth markets such as the Middle East and South America, which show significant growth potential in the pharmaceutical industry.

We will continue to search for opportunities globally where we see tangible opportunities to expand and strengthen our wholesale and distribution capabilities and our portfolio of products and services, to allow us to establish our overall reputation and market presence as a trusted, global pharmaceutical products and medical supplies and devices company.

Other Services

In respect of our other services, we intend to continue developing (a) our *Hart-S ODS*; and (b) *furlife*, as described in further detail below.

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Hart-S ODS

We are currently in the process of obtaining product approval in Thailand and Malaysia in respect of our *Hart-S ODS*. We believe the use of ODS in the pharmaceutical industry remains largely untapped, and we intend to develop other types of medication and pharmaceutical products which are suitable for administration in ODS form, with the key objective of providing ease of administering medication which is accessible to all, particularly to patient groups who are otherwise unable to or have difficulty in consuming medication in pill or liquid form, such as elderly patients with Alzheimer's or dementia, or patients who experience nausea after receiving chemotherapy.

furlife

Following the launch of our *furlife* mobile application in January 2023, we intend to continue expanding and developing our *furlife* application by increasing the product range and service offerings available on *furlife* and improving our brand recognition which we believe will be a key growth area for our Group in the future.

We intend to use approximately S\$1.0 million from the net proceeds raised from the Placement to fund the expansion of our existing business segments as described above which may include, *inter alia*, marketing and promotional expenses to promote our products and services, administrative and compliance costs in relation to obtaining relevant licences and permits and other relevant expenses to support our business expansion activities. Please refer to the section entitled "Use of Proceeds and Expenses of the Placement" of this Offer Document for further details.

Collaborations with strategic business partners and entry into acquisitions, joint ventures and/or strategic partnerships

Depending on available opportunities, feasibility and market conditions, we may explore joint ventures, strategic alliances, acquisitions or investment opportunities with parties who have the relevant expertise or technical know-how in providing products and services in new and complementary businesses in order to expand our current business and/or complement our current and future business. We believe that suitable acquisitions, joint ventures and strategic partnerships outside the countries of our existing markets will give us access to new markets and customers as well as new businesses.

For instance, we entered into the McKesson Supply Agreement with McKesson in October 2022 for the supply of the Private Label Products to our Group. We may explore further collaborations with such suppliers and/or customers to potentially expand the scope of our existing business segments by tapping on the distribution networks of such suppliers and/or customers of our Group. For example, we may, if we deem appropriate, and subject to compliance with Chapter 9 of the Catalist Rules, collaborate with Palepu Pharma Private Limited, an Associate of our Controlling Shareholder, to tap on its established connections and network of customers, which mainly include pharmacies, hospitals and clinics located in India.

We intend to use approximately S\$1.6 million from the net proceeds raised from the Placement to fund any potential collaborations with strategic business partners and entry into acquisitions, joint ventures and/or strategic partnerships as described above. Please refer to the section entitled "Use of Proceeds and Expenses of the Placement" of this Offer Document for further details.

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PROSPECTS AND TRENDS

The following discussion about prospects and trend information includes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those that may be projected in these forward-looking statements. Please refer to the sections entitled “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” of this Offer Document for further details.

Prospects

Going forward, in light of our competitive strengths and barring any unforeseen circumstances, our Directors are confident that the outlook for our business is expected to remain positive in view of the following trends and developments:

Increasing healthcare expenditure in key markets where we operate or are expected to operate in

It was reported that global spending on healthcare has doubled in real terms over the past two (2) decades, reaching US\$8.5 trillion in 2019 and 9.8% of gross domestic products, which was an increase from 8.5% in 2000⁷. In Singapore, the national health expenditure could increase from S\$22.0 billion in 2018 to S\$59.0 billion in 2030⁸. For OECD countries, the health expenditure per capita is projected to grow at an average annual rate of 2.7% between 2015 and 2030⁹. This is driven by, amongst others, the need to continuously enhance medical and healthcare facilities and infrastructure which was further emphasised following the COVID-19 pandemic, and coupled with a growing ageing population.

⁷ Source: World Health Organisation – Global expenditure on health: Public spending on the rise?, 2021. The World Health Organisation has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

⁸ Source: Ministry of Health – Notice Paper No. 959 – Notice of Question for Written Answer for the sitting of Parliament on 14 February 2022, 2022. The Ministry of Health has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

⁹ Source: Organisation for Economic Co-operation and Development (“OECD”), 2019. The OECD has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

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Growing ageing population in developed nations

Globally, over the next three (3) decades, it is projected that the number of people aged 65 and over will double to over 1.5 billion, representing 16.0% of the global population at 2050 (2020: 9.3%)¹⁰. Particularly in various developed nations, medical issues attributable to an ageing population is even more prevalent and many countries have been experiencing such changing demographics for many years. For example, in Singapore, it is expected that approximately 23.8% of the population will be 60 years and over by 2030¹¹. Similarly, other Asian economies, such as Japan and the Republic of Korea are likewise facing similar ageing trends¹¹.

With a global increase in life expectancy, public healthcare initiatives and reforms are gradually gaining importance as governments allocate a larger proportion of their budgets to better manage issues relating to an ageing population. For instance, the Singapore government unveiled plans for each Singapore resident to be assigned one (1) General Practitioner of their choice under the Healthier SG Programme to cater to the imminent needs of an ageing population¹². This programme is expected to cost S\$1.0 billion over the next three (3) to four (4) years and S\$400.0 million annually thereafter to sustain¹³.

Continued enhancements to medical and healthcare treatment and infrastructure in developing and emerging countries

The COVID-19 pandemic revealed deficiencies in the healthcare systems of developing and emerging countries. As a result, these countries have been concentrating on the enhancement of their medical and healthcare facilities to provide better access for its citizens. Government agencies have launched or commissioned various government-funded healthcare programmes and initiatives to improve their healthcare system.

¹⁰ Source: United Nations – World Aging Population (Highlights), 2020. The United Nations has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

¹¹ Source: Strategy Group, Prime Minister Office – Population in Brief 2022, 2022. Strategy Group has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

¹² Source: Healthier SG – White Paper on Healthier SG, 2022. Healthier SG has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

¹³ Source: Ministry of Health – Opening Speech by Mr Ong Ye Kung, Minister for Health, at the Healthier SG White Paper Debate 2022, 2022. The Ministry of Health has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

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For example, the Indian government launched the world's largest government-funded healthcare programme, Pradhan Mantri Jan Arogya Yojana, and extended the Ayushman Bharat, a universal health coverage scheme¹⁴. Notably, Malaysia introduced the MySalam public health insurance scheme¹⁵, and the Indonesian government has allocated a higher healthcare budget to reform the healthcare system while also implementing the national insurance system, Jaminan Kesehatan Nasional¹⁶. This increase in spending on public healthcare is part of a larger existing trend – one that relates to a country's effort to achieve universal health coverage.

Accordingly, our Directors believe that the increase in public healthcare expenditure will result in continuous demand for pharmaceutical products and medical supplies and devices globally.

Demand for pharmaceutical products expected to stabilise post-COVID-19

The global pharmaceutical industry experienced an unprecedented spike in growth due to the outbreak of the COVID-19 pandemic. With the stabilisation of the COVID-19 pandemic, the demand for pharmaceuticals is expected to normalise and grow at a CAGR of 3.0% to 6.0%, reaching approximately US\$1.8 trillion by 2026¹⁷.

One of the key drivers for the global growth for pharmaceutical products relates to the demand for these products to aid non-institutional chronic disease management in order to improve independence among elderly patients as the global ageing population over the next 50 years will have an unprecedented effect on the provision of healthcare systems¹⁸.

¹⁴ Source: National Health Authority, India – About Pradhan Mantri Jan Arogya Yojana (PM-JAY). National Health Authority, India has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

¹⁵ Source: Mysalam – Home – About my Salam. Mysalam has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

¹⁶ Source: Ciptadana Sekuritas Asia – Market Outlook 2022: Healthcare Sector. Ciptadana Sekuritas Asia has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

¹⁷ Source: IQVIA – The Global Use of Medicines 2022: Outlook to 2026. IQVIA has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

¹⁸ Source: Fitch Solutions – Global Pharmaceuticals & Healthcare Report, 2022. Fitch Solutions has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

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In addition, demand for healthcare in many developing and emerging economies will continue to be driven by the rising prevalence of chronic diseases, universal healthcare implementation efforts, growing population and increasing urbanisation. This will also inadvertently drive demand for pharmaceutical products.

These drivers, alongside our competitive strengths as disclosed in the section entitled “General Information on our Group – Competitive Strengths” of this Offer Document, will allow us to leverage on our comprehensive product portfolio and long-standing relationships with our major suppliers to provide timely solutions to customers in developed, developing and emerging markets. Accordingly, our Directors believe that this may generate sustained demand for our business segments.

Continued demand for and usage of N95 respirators and medical supplies within the healthcare industry and other industrial sectors

Stable demand for N95 respirators and medical supplies in the healthcare sector

The global N95 respirators market is estimated to grow at a CAGR of 14.5% from US\$1.9 billion in 2021 to US\$4.9 billion in 2028¹⁹.

Among these countries, our Group’s N95 respirators are already being used by frontline workers in the medical and healthcare institutions, including the U.S., Malaysia, Singapore and Thailand which will continue to be used by such frontline workers regularly, regardless of the COVID-19 pandemic. In addition, our Halal-certified *Pasture Masks*, which consists of a total of nine (9) N95 respirators and surgical N95 respirators, will also be able to serve the increasing needs in various Muslim countries such as United Arab Emirates (“**UAE**”) and Saudi Arabia, which are amongst the leading countries for the demand for N95 respirators. It is forecasted that the total demand for N95 respirators in the UAE and Saudi Arabia would be approximately US\$543.48 million by 2028²⁰. Please refer to the section entitled “General Information on our Group – Business Strategies and Future Plans – Strengthening our existing business segments and diversification into new geographical market segments – Mask and Medical Supplies” of this Offer Document for more information on our Halal-certified N95 respirators.

Prior to the COVID-19 pandemic, our Group supplied approximately 1.6 million and 35.8 million pieces of its N95 respirators for FY2018 and FY2019, respectively. Accordingly, our Directors believe that our Group is well-positioned amidst the stable demand for N95 respirators in the healthcare sector given our reputation, track record, and quality of our *Pasture Masks*.

¹⁹ Source: The Insight Partners – N95 Masks Market, Forecast to 2028 – COVID-19 Impact, Global & India Analysis, 2021. The Insight Partners has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

²⁰ Source: The Insight Partners – Middle East & Africa, N95 Masks Market – Forecast to 2028 – COVID-19 Impact and Analysis, 2021. The Insight Partners has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

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In March 2023, the Singapore government announced that Singapore will start focusing on stockpiling medical supplies and other essential healthcare items moving forward in addition to its current efforts with food. The Ministry of Trade and Industry of Singapore highlighted that Singapore needed to stockpile more essential medical supplies like masks and other healthcare equipment to ensure that Singapore would have enough supplies for critical and essential services for another pandemic situation.²¹ Accordingly, our Directors believe that our Group is well positioned to source for diversified pharmaceutical and medical supplies with our track record and wide connections with supply sources.

Continuous demand across various industries

While the COVID-19 pandemic has stabilised, the demand for masks, in particular N95 respirators, is still likely to remain stable due to continuous demand for respiratory protective equipment by a wide range of industries for occupational safety and health purposes regardless of whether there is a pandemic, outbreak or other disease. Such industries generally include:

- (a) Healthcare – The N95 respirator is an important part of the Protective Personal Equipment (“PPE”) for healthcare workers due to their high efficiency in protecting healthcare professionals from infections during the treatment process.
- (b) Construction – During the construction process, there will be a substantial amount of dust particles from stone crushing, cement, and others which can severely affect human health and may cause respiratory disorders and/or lung diseases. Increasingly, many construction sites are strictly monitored by the industrial safety-related agencies and local government regulatory bodies.
- (c) Manufacturing – The pharmaceutical and biotechnology sectors mainly utilise N95 respirators to reduce the occurrence of product contamination during the drug manufacturing process as humans are possible mediatory contaminants to the final products. As such, healthcare regulatory guidelines issued by agencies such as the FDA mandates the requirement for these firms to adopt the use of respiratory equipment.
- (d) Mining, oil, and gas – During the various mining, oil, and gas operations, unwanted and harmful contaminants may be released. Such processes include blasting, stone crushing, and drilling which may generate prominent dust particles and harmful gases. Thus, operators may be required to wear a respirator for occupational safety reasons.
- (e) Others – Other end-users include agricultural sector and the general public. For instance, arising from the COVID-19 pandemic, the general population has widely adopted the use of N95 respirators as a form of protective equipment against viral infections and diseases. Hence, this increased awareness of personal health and safety amongst the general public has resulted in a habitual shift in the demand, resulting in it becoming more commonplace for the general public to utilise N95 respirators.

²¹ Source: The Channel News Asia – Singapore to focus on stockpiling essential medical, healthcare supplies moving forward: MTI permanent secretary, 2023. The Channel News Asia has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

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Our Directors are of the opinion that our Group offers a wide range of FDA-cleared and/or NIOSH-certified N95 respirators which will continue to serve and meet the demands of different users across a diverse range of industries.

Diversification of supply sources amidst increasing challenges and disruptions in supply chain

Pharmaceutical products

Supply chains for pharmaceutical products have become increasingly complex and global. The global pharmaceutical supply chain was put to the test during the COVID-19 pandemic when demand for various pharmaceutical products such as paracetamol and cough medication was high.

In general, the pharmaceutical supply chains have remained relatively resilient during the COVID-19 pandemic as the industry was able to manage any major disruptions²². However, industry players will continue to keep abreast of such supply chain risks, and many will continuously seek for alternative supply sources to prepare and hedge against any unforeseen circumstances. As such, our Group's resourcefulness, reliability, and extensive product portfolio will provide insulation from future disruptions.

Medical supplies and devices

On the contrary, during the COVID-19 pandemic, the supply of certain medical supplies and devices experienced severe shortages. This was particularly so for PPE used by frontline healthcare workers in hospitals, clinics, and other medical institutions. Globally, supply chain disruptions had frustrated companies and governments with regard to their PPE inventory. Further, as previously discussed, PPE, including N95 respirators, finds its use in a myriad of other industries such as construction, mining, oil and gas, and agriculture.

Given how countries are now increasingly aware of the scarcity of PPE during a pandemic, and its potential alternative uses in other industries, our Group believes that our collaboration with McKesson will augment our product portfolio to meet the demands of the players within the value chain of the global healthcare system, expanding our offerings to not just *Pasture Masks*, but also other PPEs and medical supplies and devices globally. Please refer to the sections entitled "General Information on our Group – Key Milestones" and "General Information on our Group – Our Business Segments – Mask and Medical Supplies – Other Medical Supplies" of this Offer Document for more information on our Group's collaboration with McKesson.

²² Source: Pharmaceutical Outsourcing – Resilience of Pharma Supply Chains and the Impact of COVID-19 Pandemic, 2021. Pharmaceutical Outsourcing has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

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Increased demand for pet health and veterinarian services

The global pet care market has grown by approximately 28.0% throughout the COVID-19 pandemic in 2020 and is projected to grow at 5.6% CAGR to reach US\$325.74 billion by 2028²³. In Singapore, it was reported that 30.0% of pets were acquired during the COVID-19 pandemic²⁴, as people sought companionship and emotional support throughout the COVID-19 pandemic restrictions.

Additionally, there is a prevailing trend of pet humanisation, whereby pet owners are increasingly receptive to products similar to the ones they use themselves. This is evident through the increasing supply of healthier pet food, specialised veterinarian services, pet nutraceuticals and even innovative animal care products. Such a trend has resulted in the increased willingness of pet parents to set higher budgeted expenditures for their pets.

Thus, our Directors believe this uptake in pet ownership and the increasing budgeted expenditure on pets, coupled with the fact that pet ownership is a long-term commitment, will reflect the stickiness of the demand in the tracking of pet health, purchasing of pet pharmaceutical products and veterinarian services, which will drive the growth of the userbase, retention rate and volume for *furlife*.

Trend Information

Based on our operations as of the Latest Practicable Date and barring any unforeseen circumstances, we have observed the following trends to transpire for the next 12 months:

- (a) we expect that there may be increasing restrictions on the export of pharmaceutical products and medical supplies and devices as a result of factors such as supply chain disruptions and/or shortage in raw materials, which may affect our Group's supply;
- (b) we expect that there may be dampened demand for our *Pasture Masks* in the short-term following the stabilisation of the COVID-19 pandemic and the existing stockpile of masks by our customers and/or end-users remaining high globally;
- (c) we expect our financial results and financial position for FY2023 to be affected by the ongoing compliance costs of a public listed company, as well as the expenses recorded in our financial statements in respect of a portion of our listing expenses incurred in connection with the Placement. For more information, please refer to the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document;

²³ Source: Fortune Business Insights – Pet Care Market Size, Share & COVID-19 Impact Analysis, By Product Type (Pet Food Products, Veterinary Care, and Others), Pet Type (Dog, Cat, and Others), Distribution Channel (Online and Offline), and Regional Forecast, 2021 – 2028, 2022. Fortune Business Insights has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

²⁴ Source: International Trade Administration – Singapore Pet Products, 2022. International Trade Administration has not consented to the inclusion of the above information or statistics cited or attributed to it in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant information or statistics under Sections 253 and 254 of the SFA. While our Directors, our Company and the Issue Manager, Sponsor and Placement Agent have taken reasonable action to ensure that the above information has been reproduced in this Offer Document in its proper form and context and that the information is extracted accurately and fairly, none of our Directors, our Company, the Issue Manager, Sponsor and Placement Agent or any other party has independently reviewed or verified the accuracy of the relevant information.

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- (d) as with other businesses in Singapore, we expect to face inflationary pressures and a general trend of increase in the cost of providing services, labour costs and rental; and
- (e) as set out in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document, we intend to expand our business through acquisitions, joint ventures, collaborations or strategic alliances. These expansion plans entail additional capital expenditures and depreciation expenses.

Save as disclosed above and in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position”, “General Information on our Group – Business Strategies and Future Plans” and “General Information on our Group – Prospects and Trends” of this Offer Document, the “Independent Auditor’s Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022” as set out in Appendix A to this Offer Document and the “Independent Auditor’s Review Report and the Interim Unaudited Consolidated Financial Statements for the Three-Month Period Ended 30 September 2022” as set out in Appendix B to this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of any other significant recent trends in the costs and prices of our products, or any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material and adverse effect on our net sales or revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. For more information, please also refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

ORDER BOOK

For our mask and medical supplies business segment, we will typically purchase from our manufacturers based on our market understanding of the demand for our masks or confirmed purchase order from our customers. For our wholesale and drop-shipment business segment, we will source for pharmaceutical products and medical supplies and devices based on the orders from our customers as and when they require, which may be for varying products, quantities and from various sources. For contracts that we enter into with our customers, such contracts typically do not specify a committed volume. Accordingly, the concept of order book is not meaningful.

CORPORATE SOCIAL RESPONSIBILITY

We are committed to making a positive impact on society and to give back to the community with our corporate social responsibility outreach initiatives, including:

- (a) providing financial donations and sponsorships of our *Pasture Masks* and medical supplies and devices to charities, non-profit organisations and elderly homes; and
- (b) sponsoring our *Pasture PM 30 N95 Respirators* to delegates attending the Asia Pacific Congress of Clinical Microbiology and Infection (APCCMI) in 2021, who are predominantly clinicians and scientists working in the field of clinical microbiology and infections.

Moving forward, we also plan to partner with global organisations such as the United Nations, the World Health Organisation and humanitarian organisations such as the Singapore Red Cross Society to supply our *Pasture Masks* at lower prices, to provide accessibility to quality medical supplies for all segments of society.

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Through our corporate social responsibility efforts, we aim to provide a better quality of life for the less fortunate in society, which is in line with our mission of caring for the health and well-being of the community, and providing solutions which enhance the overall quality of life of society.

SEASONALITY

We generally do not observe any significant seasonal trends in our business and operations.

GOVERNMENT REGULATIONS

Singapore

Health Products Act 2007 of Singapore (“Health Products Act”)

The Health Products Act and the regulations thereunder regulate, among others, the manufacture, import, supply, presentation and advertisement of health products (which include therapeutic products, medical devices and cosmetic products).

Under the Health Products Act, except in such cases as may be prescribed, a valid importer’s licence is required to import therapeutic products and medical devices and a valid wholesaler’s licence is required to engage in the wholesale supply of therapeutic products and medical devices. In addition, no person shall supply any therapeutic product or medical device to any other person unless such therapeutic product or medical device has been registered in accordance with the provisions of the Health Products Act. Any person who contravenes these provisions is guilty of an offence.

An application for an importer’s licence or a wholesaler’s licence for a therapeutic product must be made to the HSA in the prescribed form and manner. The Health Products (Therapeutic Products) Regulations 2016 stipulate certain requirements that must be satisfied before such licence may be issued to an applicant. For example, an applicant of an importer’s licence or a wholesaler’s licence must be able to provide and maintain, or ensure the provision and maintenance of, such staff, premises, equipment and facilities for the handling and storage of the therapeutic product as are necessary to prevent the deterioration of the therapeutic product while it is in the applicant’s ownership, possession or control. In addition, an applicant of an importer’s licence or a wholesaler’s licence must be able to comply with the relevant Good Distribution Practice standards.

No licence is required for the importation or wholesale supply of cosmetic products in Singapore. However, the Health Products (Cosmetic Products – ASEAN Cosmetic Directive) Regulations 2007 provides that prior notification to the HSA in the prescribed form is required before a cosmetic product may be supplied in Singapore, unless the cosmetic product is supplied solely as a sample in connection with any advertising, sponsorship or promotional activity, is supplied solely for testing or trial use in connection with any research or development of that product or is manufactured by or in accordance with the specifications of a medical practitioner, and supplied solely by that medical practitioner for the use of patients under his care. Any person who contravenes this provision is guilty of an offence.

The Health Products Act imposes various duties on importers, suppliers and registrants of health products. In particular, the Health Products Act stipulates that where an importer, a supplier or a registrant of a health product becomes aware of any defect in the health product or any adverse

GENERAL INFORMATION ON OUR GROUP

effect that has arisen or can arise from the use of the health product, such person has a duty to inform the HSA of the defect or adverse effect within a prescribed time. Any person who fails to do so is guilty of an offence.

Medicines Act 1975 of Singapore (the “Medicines Act”)

The Medicines Act makes provisions with respect to medicinal products and medical advertisements and matters connected therewith. It applies generally to any substance or article (not being an instrument, apparatus or appliance) which is manufactured, sold, supplied, imported or exported for use wholly or mainly (a) by being administered to one or more human beings or animals for a medicinal purpose; and/or (b) as an ingredient in the preparation of a substance or article which is to be administered to one or more human beings or animals for a medicinal purpose.

Among other things, the Medicines Act stipulates that no person shall manufacture or assemble any medicinal product except in accordance with a manufacturer’s licence and that no person shall sell any medicinal product by way of wholesale dealing except in accordance with a wholesale dealer’s licence. Any person who contravenes these provisions is guilty of an offence.

In addition, the Medicines Act provides that a manufacturer’s licence does not authorise the manufacture or assembly of medicinal products of any description for sale or supply to any other person, or for exportation, unless the holder of the licence is also the holder of a product licence which is applicable to medicinal products of that description, or the products are manufactured or assembled to the order of a person who is the holder of such a product licence, and the products are manufactured or assembled in accordance with that product licence.

Pursuant to the provisions of the Medicines Act, in dealing with an application for a manufacturer’s licence, the HSA shall, in particular, take into consideration the operations proposed to be carried out in pursuance of the licence, the premises in which those operations are to be carried out, the equipment which is or will be available on those premises for carrying out those operations, the qualifications of the persons under whose supervision those operations will be carried out, and the arrangements made or to be made for securing the safekeeping of, and the maintenance of adequate records in respect of, medicinal products manufactured or assembled in pursuance of the licence. In the case of an application for a wholesale dealer’s licence, the relevant considerations include the premises in which medicinal products of the descriptions to which the application relates will be stored, the equipment which is or will be available for storing medicinal products in those premises, the equipment and facilities which are or will be available for distributing medicinal products from those premises, and the arrangements made or to be made for securing the safekeeping of, and the maintenance of adequate records in respect of, medicinal products stored in or distributed from those premises.

Personal Data Protection Act 2012 of Singapore (“PDPA”)

The PDPA generally requires organisations to give notice and obtain consents prior to collection, use or disclosure of personal data (being data, whether true or not, about an individual who can be identified from that data or other accessible information), and to provide individuals with the right to access and correct their own personal data. Organisations have mandatory obligations to assess data breaches they suffer, and to notify the Singapore Personal Data Protection Commission (“PDPC”) and the relevant individuals where the data breach is of a certain severity. The PDPA also imposes various baseline obligations on organisations in connection with permitted uses of, accountability for, the protection of, the retention of, and overseas transfers of, personal data.

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The PDPA creates various offences in connection with the improper use of personal data, certain methods of collecting personal data and certain failures to comply with the requirements under the PDPA. These offences may be applicable to organisations, their officers and/or their employees. Offenders are liable on conviction to fines and/or imprisonment. The PDPA empowers the PDPC with significant regulatory powers to ensure compliance with the PDPA, including powers to investigate, give directions and impose a financial penalty of up to S\$1 million. In addition, the PDPA created a right of private action, pursuant to which the Singapore courts may grant damages, injunctions and relief by way of declaration, to persons who suffer loss or damages directly as a result of contraventions of certain requirements under the PDPA.

The PDPA was last amended by the Personal Data Protection (Amendment) Act 2020, which is only partially in force. From 1 October 2022, for organisations whose annual turnover in Singapore exceeds S\$10 million, the maximum financial penalty that the PDPC may impose is 10% of the annual turnover in Singapore of that organisation or S\$1 million, whichever is higher. As of the Latest Practicable Date, key portions of such Act not yet in force include a requirement for organisations to transfer personal data of an individual to a different organisation where requested by the individual (generally referred to as “data portability”).

Employment Act 1968 of Singapore (“EA”)

The EA is administered by the Ministry of Manpower of Singapore (“**MOM**”) and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees. With effect from 1 April 2019, the EA extends to all employees, including persons employed in managerial or executive positions, with certain exceptions.

In particular, Part 4 of the EA sets out enhanced protection requirements such as rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S\$4,500 a month and employees (other than workmen) who receive salaries not exceeding S\$2,600 a month (“**relevant employees**”). Prior to 1 April 2019, Part 4 of the EA only covered workmen earning up to S\$4,500 a month and non-workmen earning up to S\$2,500. Section 38(8) of the EA provides that a relevant employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, Section 38(5) of the EA limits the extent of overtime work that a relevant employee can perform to 72 hours a month.

Employers must seek the prior approval of the Commissioner for Labour (“**Commissioner**”) for exemption if they require a relevant employee or class of relevant employees to work for more than 12 hours a day or work overtime for more than 72 hours a month. The Commissioner may, after considering the operational needs of the employer and the health and safety of the relevant employee or class of relevant employees, by order in writing exempt such relevant employees from the overtime limits subject to such conditions as the Commissioner thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such employees are employed.

Enhanced administrative requirements

From 1 April 2016, the Employment (Amendment) Act 2015 requires employers to implement enhanced administrative requirements for employees covered under the EA. There are key changes in relation to pay slips, employment terms and employment records, as well as the new framework adopted for less severe breaches of the EA. Employers are also required to provide itemised pay slips to all employees, provide employees with written key employment terms and keep detailed employment records for each employee.

GENERAL INFORMATION ON OUR GROUP

Workplace Safety and Health Act 2006 of Singapore (“WSHA”)

The WSHA is also administered by the MOM. Under the WSHA, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the persons at work a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by those persons, ensuring that those persons are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that those persons at work have adequate instruction, information, training and supervision as is necessary for them to perform their work.

More specific duties imposed on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations (“WSHR”). Some of these duties include taking effective measures to protect persons at work from the harmful effects of any exposure to any infectious agents or bio-hazardous material which may constitute a risk to their health.

Under the WSHA, inspectors appointed by the Commissioner for Workplace Safety and Health (“CWSH”) may, among others, enter, inspect and examine any workplace, to inspect and examine any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in the workplace which is relevant to an investigation or inquiry under the WSHA.

Under the WSHA, the CWSH may issue a stop-work order in respect of a workplace if he is satisfied that (a) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (b) any person has contravened any duty imposed by the WSHA; or (c) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to posed a risk to the safety, health and welfare of persons at work. The stop-work order shall, amongst others, direct the person served with the order to immediately cease to carry on any work or process indefinitely or until such measures as are required by the CWSH have been taken, to the satisfaction of the CWSH, to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

Work Injury Compensation Act 2019 of Singapore (“WICA”)

The WICA applies to all employees in all industries engaged under a contract of service or apprenticeship, regardless of their level of earnings and provides that the employer will be liable to pay compensation to them in accordance with the provisions of the WICA, if personal injury by accident arising out of and in the course of employment is caused to them. The WICA sets out, among other things, the amount of compensation they are entitled to and the method(s) of calculating such compensation. The relevant regulatory body is the MOM.

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The WICA does not cover self-employed persons or independent contractors. However, as the WICA provides that, where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the subcontractor employer), the principal shall be liable to compensate those employees of the subcontractor employer who were injured while employed in the execution of work for the principal.

The WICA provides that if an employee dies or sustains injuries in a work-related accident or contracted occupational diseases in the course of the employment, the employer shall be liable to pay compensation in accordance with the provisions of the WICA. An injured employee is entitled to claim medical leave wages, medical expenses and lump sum compensation for permanent incapacity or death, subject to certain limits stipulated in the WICA.

Under the WICA, every employer is required to insure and maintain insurance under approved policies with an insurer against all liabilities which he may incur under the provisions of the WICA in respect of all employees employed him, unless specifically exempted. The insurance is valid for one year and is renewed annually by our Group. With effect from 1 January 2020, compensation limits for death and permanent incapacity have been increased by about 10.0% to S\$225,000 and S\$289,000, respectively. The compensation limit for medical treatment has also been increased by about 25.0%, from the current S\$36,000 to S\$45,000. With effect from 1 April 2020, every employer is required to insure and maintain insurance for non-manual employees (“NME”) in non-factories earning up to S\$2,100 a month. The NME monthly salary threshold was further raised to S\$2,600 on 1 April 2021.

The Work Injury Compensation Bill 2019 was passed on 3 September 2019 and pursuant therewith, the eventual act, called the Work Injury Compensation Act 2019 (“**WICA 2019**”), took effect on 1 September 2020. Certain aspects of the key amendments include:

- (a) preventing injuries from happening in the first place. This is driven by the fact that there is currently no information sharing between insurers of their clients’ past claims record, which has resulted in safer companies subsidising the less safe companies as there is little premium differentiation between these companies. Under the WICA 2019, all employers’ policies and past claims data will be made available to all designated Work Injury Compensation (“**WIC**”) insurers. With this shared information, employers with good safety records would be able to enjoy lower premiums while those with poor safety records would face higher premiums, thus providing a stronger commercial incentive for employers to prevent their employees from getting injured in the first place;
- (b) expediting and streamlining WICA claims processing. The WICA 2019 will allow compensation to be based on the prevailing state of incapacity (termed “current incapacity”, or CI) at the first opportunity six (6) months from the date of the accident. In addition, under the WICA 2019, designated WIC insurers (as opposed to WIC insurers and/or MOM, depending on types of claims) will process all insured claims. A licensing framework will be introduced to ensure checks and balances are in place to process claims fairly and expeditiously; and
- (c) providing more certainty for employers. There will be a prescribed core set of standard terms for WICA-compliant policies to ensure adequate coverage. This is in response to situations where employers who buy WIC insurance policies find some work scenarios that are excluded from the coverage.

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United States

The following is a summary of the main laws and regulations of the U.S. that are relevant to our business as at the Latest Practicable Date.

United States Regulation of Medical Devices

In the U.S., N95 respirators, surgical masks, and other personal protective equipment are considered medical devices by the FDA and must meet certain regulatory requirements. N95 respirators also require certifications by the NIOSH in the U.S. Centers for Disease Control and Prevention.

Overview of FDA Pre-market Clearance Process for Medical Devices

Unless an exemption applies, each medical device commercially distributed in the U.S. requires either FDA clearance of a 510(k) pre-market notification submission or a pre-market application (“PMA”) approval. Under the U.S. Federal Food, Drug, and Cosmetic Act of 1938 (as amended, the “FDCA”), medical devices are classified into one of three classes: Class I, Class II, or Class III, depending on the degree of risk associated with each medical device and the extent of manufacturer and regulatory control needed to ensure its safety and effectiveness.

Class I devices are subject to the fewest regulatory controls, while Class III devices are subject to the most regulatory controls. All devices are required to follow FDA’s General Controls (“General Controls”), which include provisions of the FDCA that provide the FDA with the means of regulating medical devices to ensure their safety and effectiveness. General Controls include good manufacturing practice, as implemented by the Quality System Regulation (“QSR”), facility registration and product listing, reporting of adverse medical events, and provisions of the FDCA pertaining to adulteration and misbranding, which, among other things, require the truthful and non-misleading labelling, advertising, and promotion of devices.

Our Group’s *Pasture Masks* that are regulated by the FDA are classified as Class II devices. Class II devices are subject to the General Controls, in addition to special controls deemed necessary by the FDA to ensure the safety and effectiveness of the device. These special controls may be set out in regulations and can include performance standards, post-market surveillance, patient registries, and FDA guidance documents. Manufacturers of most Class II devices are required to submit to the FDA a pre-market notification under Section 510(k) of the FDCA requesting permission to commercially distribute the device. The FDA’s permission to commercially distribute a device subject to a 510(k) pre-market notification is generally known as 510(k) clearance.

Under the 510(k) clearance process, the manufacturer must submit to the FDA a pre-market notification demonstrating that its device is “substantially equivalent” to either a device that was legally marketed prior to 28 May 1976, the date upon which the Medical Device Amendments of 1976 were enacted, or another commercially available device that was cleared through the 510(k) process (each known as a “predicate device”). A manufacturer must submit its 510(k) pre-market notification at least 90 days before it plans to market the device. The notification must contain, among other information, (a) the proposed classification and intended use of the device; (b) the proposed predicate device(s); (c) specifications of the device, including a narrative description of the physical device and engineering drawings; (d) performance data, such as bench data or clinical testing (if applicable) and compliance with any special controls; (e) a substantial equivalence comparison with the predicate device(s); (f) proposed labelling for the device; and (g) FDA guidance documents specific to the device type, if available.

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The FDA aims to complete review of pre-market notifications within 90 days. Once the FDA clears the device, the manufacturer may bring its product to market in the U.S.. The 510(k) clearance does not expire and, accordingly, there is no requisite renewal application. However, the manufacturer of a device that has been granted a 510(k) clearance will be subject to continued post-approval obligations in the form of General Controls and special controls established by the FDA, which could include device tracking, periodic reporting, and post-market surveillance.

Overview of NIOSH Approval Process for N95 Respirators

NIOSH approves and regulates Respiratory Protective Devices (“**RPDs**”), including N95 respirators, according to 42 Code of Federal Regulations (C.F.R.) Part 84, which establishes requirements related to applications, labelling, quality control measures, and performance measures for RPDs.

To obtain approval from NIOSH, a manufacturer must submit an application for an RPD. The application must contain (a) a complete written description of the respirator for which approval is requested together with drawings and specifications (and lists thereof) showing full details of construction of the respirator and of the materials used; (b) a proposed plan for quality control; (c) a statement that the respirator has been pre-tested by the manufacturer to a degree sufficient to show that the respirator meets the requirements of 42 C.F.R. Part 84; (d) the results of such tests; and (e) a statement that the respirator and component parts submitted for approval are either prototypes or made on regular production tooling, with no operation included which will not be incorporated in regular production processing. Additionally, the application must be accompanied by an application fee and samples of the respirator product to be tested by NIOSH.

NIOSH reviews the application and tests the RPD for compliance with the requirements of 42 C.F.R. Part 84, including (a) differential pressure; (b) particulate filtration efficiency; (c) exhalation valve leakage; (d) biocompatibility; (e) flammability; and (f) fluid resistance. As part of the approval review stage, NIOSH may require a manufacturer site inspection, including inspection of international manufacturing sites. NIOSH aims to complete the approval review stage within 90 days of receiving the application. Once approved, a NIOSH certificate of approval is issued.

RPDs that are intended for use in a healthcare setting are regulated by both NIOSH and FDA, as outlined in Memorandum of Understanding 225-18-006 (the “**MOU**”). Under the MOU, an N95 respirator that is intended for any of the following uses must obtain clearance from the FDA, in addition to NIOSH certification, prior to bringing the RPD to market: (a) specific disease and/or infection prevention; (b) viral or bacterial filtration performance; (c) antimicrobial function; (d) hypoallergenicity; or (e) filtration of surgical smoke or plumes.

Medical Device Clinical Trials

Clinical trials are almost always required to support pre-market approval of Class III devices, and seldomly required to support a 510(k) pre-market notification submission. Typically, analytical or non-clinical bench performance data is sufficient to support a 510(k) pre-market notification submission, including submissions for surgical masks. During its review, however, the FDA may determine that clinical data is necessary to determine substantial equivalence. For example, the FDA may request clinical data (a) to determine that new or modified indications for use fall within the same intended use as a predicate device; (b) when the technological differences between the new device and predicate device pose different questions of safety and effectiveness; or (c) to address issues that cannot be adequately addressed using non-clinical test methods because of the indications for use or device technology. In the event the FDA requests clinical data from an applicant after initial review of the 510(k) submission, the applicant has 180 days to provide the requested data, during which time the FDA’s 90-day processing time is paused.

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All clinical investigations of investigational devices to determine safety and effectiveness must be conducted in accordance with the FDA's investigational device exemption (“**IDE**”) regulations which govern investigational device labelling, prohibit promotion of the investigational device, and specify an array of record-keeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a “significant risk” to human health, as defined by the FDA, the FDA requires the device sponsor to submit an IDE application to the FDA, which must become effective prior to commencing human clinical trials. In addition, clinical studies must be approved by, and conducted under the oversight of, an Institutional Review Board (“**IRB**”) for each clinical site. The IRB is responsible for the initial and continuing review of the IDE, and may pose additional requirements for the conduct of the study. If an IDE application is approved by the FDA and one or more IRBs, human clinical trials may begin at a specific number of investigational sites with a specific number of patients, as approved by the FDA. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical trial after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labelling and record-keeping requirements.

Post-Market Regulation of Medical Devices

After a medical device is cleared or approved for marketing, numerous and pervasive regulatory requirements continue to apply. These include, among others:

- (a) establishment registration and device listing with the FDA;
- (b) compliance with QSR requirements, which require manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation, and other quality assurance procedures during all aspects of the design and manufacturing process;
- (c) labelling and marketing regulations, which (i) require that promotion is truthful, not misleading, fairly balanced, provide adequate directions for use, and that all claims are substantiated; (ii) prohibit the promotion of products for unapproved or “off-label” uses and impose other restrictions on labelling and (iii) carry penalties of up to three years in prison and up to US\$10,000 in monetary penalties per violation, pursuant to 21 United States Code (U.S.C.) §§ 331, 333;
- (d) compliance with the FDA's guidance on off-label dissemination of information and responding to unsolicited requests for information;
- (e) clearance or approval of product modifications to 510(k)-cleared devices, which typically takes 90 working days to process, that could significantly affect safety or effectiveness or that would constitute a major change in the intended use of one of the 510(k)-cleared devices;
- (f) medical device reporting regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury, if the malfunction were to recur;
- (g) correction, removal, and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health;

GENERAL INFORMATION ON OUR GROUP

- (h) complying with the new federal law and regulations requiring Unique Device Identifiers (UDI) on devices and also requiring the submission of certain information about each device to the FDA's Global Unique Device Identification Database (GUDID);
- (i) the FDA's recall authority, whereby the agency can order device manufacturers to recall from the market a product that is in violation of governing laws and regulations; and
- (j) post-market surveillance activities and regulations, which apply when deemed by the FDA to be necessary to protect the public health or to provide additional safety and effectiveness data for the device.

The FDA has broad regulatory compliance and enforcement powers. Failure to comply with applicable regulatory requirements can result in the FDA taking a variety of compliance or enforcement actions, which may result in any of the following sanctions:

- (a) warning letters, untitled letters, fines, injunctions, consent decrees, and civil penalties (due to violations of any regulatory requirement promulgated by the FDA, including failure to satisfy the General Controls and/or specific controls);
- (b) recalls, withdrawals, or administrative detention or seizure of products (due to adulteration of FDA-regulated devices);
- (c) operating restrictions or partial suspension or total shutdown of production (due to violations of the QSR or other applicable regulations);
- (d) refusing or delaying requests for 510(k) marketing clearance or PMA approvals of new products or modified products (due to failure to reply to a request for additional information, proposed labelling that is false or misleading, or other violations of the relevant FDA regulations);
- (e) withdrawing 510(k) clearances or PMA approvals that have already been granted (due to violations of any regulatory requirement promulgated by the FDA, including failure to satisfy the General Controls and/or specific controls);
- (f) refusal to grant export or import approvals for our products (due to adulteration or misbranding of FDA-regulated devices); or
- (g) criminal prosecution (due to any violation of the FDCA).

INTERESTED PERSON TRANSACTIONS

For purposes of this section, the following definitions will apply:

“our Group” means:

- (a) our Company;
- (b) a subsidiary of our Company that is not listed on the SGX-ST or any approved exchange; or
- (c) an associated company of our Company that is not listed on the SGX-ST or any approved exchange and which our Group and our interested person(s) have control.

“approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Catalist Rules.

“interested person” means:

- (a) a Director, Chief Executive Officer or Controlling Shareholder of our Company; or
- (b) an Associate of any such Director, Chief Executive Officer or Controlling Shareholder.

Certain terms such as “Associate”, “control”, “Controlling Shareholder”, and “interested person” used in this section have the meanings as provided in the Catalist Rules and in the SFR, unless the context specifically requires the application of the definitions in one or the other as the case may be.

In general, transactions between our Group and any of our interested persons would constitute interested person transactions for the purposes of Chapter 9 of the Catalist Rules.

Details of the present and ongoing transactions as well as past transactions between our Group and interested persons which are material in the context of the Placement are set out below. Save as disclosed in this section and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, there are no material interested person transactions for FY2020, FY2021, FY2022 and 1Q2023 and for the period from 1 October 2022 to the Latest Practicable Date (the “**Relevant Period**”).

By subscribing for the Placement Shares, new Shareholders are deemed to have specifically approved these transactions entered into with our interested persons set out in the section entitled “Interested Person Transactions – Present and Ongoing Interested Person Transactions” of this Offer Document and as such these transactions are not subject to Rules 905 and 906 of the Catalist Rules to the extent that there are no subsequent changes to the terms of the agreements in relation to each of these transactions.

In line with the rules set out in Chapter 9 of the Catalist Rules, a transaction which value is less than S\$100,000 is not considered material in the context of the Placement and is not taken into account for the purposes of aggregation in this section.

INTERESTED PERSON TRANSACTIONS

PAST INTERESTED PERSON TRANSACTIONS

Details of the past transactions between our Group and its interested persons which are material in the context of the Placement for the Relevant Period are as follows:

Supply of pharmaceutical products to Pasture Marketing

During the Relevant Period, our Group had, from time to time, supplied pharmaceutical products to Pasture Marketing Inc. (“**Pasture Marketing**”) for the onward sale of such pharmaceutical products to one of our Group’s long-term Japan-based customers (“**Japan-based Customer**”) and separately for another one-off transaction with one of our other customers (the “**Onward Sale**”). Pasture Marketing was wholly-owned by our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong and accordingly, was an Associate of Mr. Lloyd Soong and an interested person.

The aggregate amounts paid by Pasture Marketing to our Group in respect of the supply by our Group of pharmaceutical products during the Relevant Period were as follows:

| US\$'000 | FY2020 | FY2021 | FY2022 | 1Q2023 | 1 October 2022 to the Latest Practicable Date |
|--|--------|--------|--------|--------|---|
| Aggregate amounts paid by Pasture Marketing for the purchase of pharmaceutical products from our Group | 230 | 590 | 537 | 9 | 398 ⁽¹⁾ |

Note:

(1) The significant increase from 1Q2023 was due to product sales for influenza vaccines, which usually takes place as and when the orders are received by the end-customers.

During the Period Under Review, our Group invoiced Pasture Marketing and accordingly, revenue was recorded from Pasture Marketing. As the sale prices of the pharmaceutical products supplied by our Group to Pasture Marketing were of comparable prices charged by our Group to third-party customers for such pharmaceutical products, our Directors are of the view that these transactions were carried out on an arm’s length basis and on normal commercial terms, and were not prejudicial to the interests of our Group or our minority Shareholders.

The Onward Sale was to facilitate the sale and export of pharmaceutical products to Japan to the Japan-based Customer and the one-off transaction with another customer, that each requested for our Group to invoice their Singapore-incorporated subsidiary instead, for their own commercial reasons. Pursuant to the terms of our importer’s licences for the import of therapeutic products and the Health Products (Therapeutic Products) Regulations 2016, our Group is only permitted to import unregistered therapeutic products solely for the purpose of re-exportation out of Singapore, unless certain conditions are satisfied. Accordingly, in order to accede to the request of our customers while ensuring compliance with the terms of our importer’s licence and the Health Products (Therapeutic Products) Regulations 2016, our Group entered into the Onward Sale arrangements with Pasture Marketing, for our Group to supply the pharmaceutical products to Pasture Marketing and for Pasture Marketing to invoice the respective Singapore-incorporated subsidiary of the Japan-based Customer and our other customer in the one-off transaction, as applicable, thereafter.

INTERESTED PERSON TRANSACTIONS

For the avoidance of doubt, to the best of our Directors' knowledge, during the Relevant Period, none of the unregistered therapeutic products supplied from our Group to Pasture Marketing were supplied for use or distribution in Singapore. The HSA did not raise any issue with the Onward Sale arrangements with Pasture Marketing during the latest audit conducted on our Group where the scope of the audit included, *inter alia*, (a) stock handling, stock control and deliveries; (b) documentation; and (c) contractual activities relating to our Group's operations which include the Onward Sale arrangement.

During the Period Under Review, Pasture Marketing only provided the Onward Sale arrangement to the Japan-based Customer and separately for the abovementioned one-off transaction with our other customer. In addition, Pasture Marketing had only made purchases from our Group during the Period Under Review, and there is no employee headcount under Pasture Marketing. Accordingly, save as disclosed, there was no overlap in terms of customers, suppliers and employees between Pasture Marketing and our Group during the Period Under Review.

On 10 November 2022, Mr. Lloyd Soong sold 50,000 shares in Pasture Marketing, representing the entire issued and paid-up share capital of Pasture Marketing, to an unrelated third-party ("**Disposal of Pasture Marketing**"), as part of Mr. Lloyd Soong's efforts to streamline his ownership interests. Pasture Marketing was not included as part of our Group for commercial reasons, including, *inter alia*, that the transactions entered into between our Group and Pasture Marketing during the Period Under Review were not material to our business and operations and its contribution to our Group, if consolidated, would not be significant. Following the divestment of his entire shareholding interest in Pasture Marketing by Mr. Lloyd Soong to an unrelated third-party, Pasture Marketing has changed its name to 0587207 B.C. Ltd. and is also no longer an interested person of our Group and accordingly, transactions entered into with Pasture Marketing are no longer deemed to be interested person transactions. To the best of the knowledge of our Directors, following the Disposal of Pasture Marketing, none of the shareholders, directors and key management of 0587207 B.C. Ltd. are directly or indirectly associated with our Group, our Directors, Executive Officers, Substantial Shareholders and/or their respective Associates and 0587207 B.C. Ltd. is also currently not engaged in the Restricted Business (as defined herein).

Following the Disposal of Pasture Marketing, the Japan-based Customer has requested to continue the Onward Sale arrangement with our Group. As such, our Group has entered into transactions with 0587207 B.C. Ltd. for the sole purpose of facilitating such Onward Sale to the Japan-based Customer. During the period from the completion of the Disposal of Pasture Marketing to the Latest Practicable Date, the aggregate amounts of transactions with 0587207 B.C. Ltd. for the purchase of pharmaceutical products in connection with the Onward Sale (the "**BC Onward Sale**") were approximately US\$0.1 million, and such purchase orders from 0587207 B.C. Ltd. to our Group were based on and supported by corresponding purchase orders from the Japan-based Customer to 0587207 B.C. Ltd.. Accordingly, our Directors are of the view that the BC Onward Sale transactions with 0587207 B.C. Ltd., being an unrelated third-party, are carried out on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of our Group or our minority Shareholders. We may continue to enter into similar transactions with 0587207 B.C. Ltd. and unrelated third-parties following the admission of our Company on Catalist, which will be conducted on normal commercial terms and on an arm's length basis.

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Payment of commissions to Pasture Marketing

During the Relevant Period, Pasture Marketing was paid a commission of approximately 2.0% of the value of the pharmaceutical products supplied by our Group to end-customers based overseas (the “**Overseas Pharmaceutical Products Sale**”) for logistics and other administrative services rendered by Pasture Marketing. The aggregate amounts paid by our Group to Pasture Marketing as commissions during the Relevant Period were as follows:

| US\$'000 | FY2020 | FY2021 | FY2022 | 1Q2023 | 1 October 2022 to the Latest Practicable Date |
|---|--------|--------|--------|--------|---|
| Aggregate amounts paid to Pasture Marketing as commissions by our Group | – | 5 | 7 | 3 | 2 |

The commissions paid to Pasture Marketing was a nominal percentage paid for the purposes of covering operational and administrative costs of Pasture Marketing in relation to the Overseas Pharmaceutical Products Sale. As such, the commissions paid to Pasture Marketing were not determined based on an arm’s length basis and were not carried out on normal commercial terms. However, our Directors are of the view that these transactions were not prejudicial to the interests of our Group or our minority Shareholders, given that the commissions paid during the Relevant Period were not material and the transactions were to facilitate the Overseas Pharmaceutical Products Sale, and the commissions paid did not materially affect our gross profits or gross profit margins for FY2021, FY2022 and 1Q2023.

Following the Disposal of Pasture Marketing by Mr. Lloyd Soong on 10 November 2022, Pasture Marketing has changed its name to 0587207 B.C. Ltd. and is also no longer an interested person of our Group and accordingly, transactions entered into with Pasture Marketing are no longer deemed to be interested person transactions.

During the period from the completion of the Disposal of Pasture Marketing to the Latest Practicable Date, the commission charged by 0587207 B.C. Ltd. in relation to the Overseas Pharmaceutical Products Sale, which amounted to approximately US\$7,000, was based on approximately 2.0% of the value of the Overseas Pharmaceutical Products Sale to end-customers. Accordingly, our Directors are of the view that such transactions with 0587207 B.C. Ltd., being an unrelated third-party, are carried out on an arm’s length basis and on normal commercial terms, and are not prejudicial to the interests of our Group or our minority Shareholders.

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PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

Details of the present and ongoing transactions between our Group and interested persons which are material in the context of the Placement for the Relevant Period are as follows:

Provision of personal guarantee by Mr. Lloyd Soong

During the Relevant Period and as at the Latest Practicable Date, Mr. Lloyd Soong, who is our Executive Chairman and Chief Executive Officer and accordingly, an interested person, had provided a personal guarantee in respect of the following loan granted to our Group:

| Lender | Borrower | Guarantor | Amount of facility (\$'000) | Interest rate | Amount guaranteed ⁽¹⁾ (\$'000) | Amount outstanding as at the Latest Practicable Date (\$'000) | Largest outstanding amount guaranteed during the Relevant Period ⁽²⁾ (\$'000) | Type of facility | Date facility drawn | Maturity date |
|--------|----------------|-----------------|-----------------------------|--|---|---|--|--|---------------------|---------------|
| UOB | Pasture Pharma | Mr. Lloyd Soong | 1,457 | In relation to the commercial property loan ("CPL"): 1st year: Fixed at 1.38% per annum; 2nd year: Fixed at 1.58% per annum; 3rd year: Fixed at 1.98% per annum; and at the prevailing bank's commercial financing rate thereafter | 1,600 | 718 | 1,600 | Line of credit for (i) CPL; and (ii) establishing a credit limit for credit card | 25 August 2015 | 3 August 2032 |

Notes:

- (1) The stated amounts refer to the principal amounts of the respective loan or credit facility. In addition to the principal amounts, the guarantee covers all interest amounts and other charges from time to time.
- (2) Based on amounts outstanding as at the end of each calendar month.

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As no consideration was paid by our Group to procure the personal guarantee provided by Mr. Lloyd Soong, the provision of such personal guarantee was not carried out on an arm's length basis and was not on normal commercial terms. However, as this personal guarantee was to secure the obligations of our Group, our Directors are of the view that the personal guarantee is not prejudicial to the interests of our Company and our minority Shareholders.

The above CPL was granted by UOB to our Group in relation to the TradeHub Property. As set out in the section entitled "General Information on our Group – Material Properties and Fixed Assets – Properties owned by our Group" of this Offer Document, completion of the Property Disposal in respect of the TradeHub Property took place on 31 March 2023. In connection therewith, after the Latest Practicable Date but as at the date of this Offer Document, the abovementioned banking facility granted by UOB has been fully repaid and the underlying securities, including the personal guarantee granted by Mr. Lloyd Soong, have been fully discharged.

Purchase of pharmaceutical products from Pleasant Exports

Our Group has, from time to time, purchased pharmaceutical products including, *inter alia*, vaccines, oncology products, aesthetic products and nutraceutical products from Pleasant Exports, a partnership established in India ("**Pleasant Exports**"). Our Non-Executive Director, Mr. Prashanth Palepu, together with his immediate family, namely Mr. Srinivasa Gopal Palepu and Mr. Pranay Palepu, hold the entire issued share capital of Pleasant Exports. Mr. Srinivasa Gopal Palepu, Mr. Prashanth Palepu and Mr. Pranay Palepu are also Controlling Shareholders of our Company through Plutus Star Holding Pte. Ltd.. Accordingly, Pleasant Exports is an Associate of Mr. Srinivasa Gopal Palepu, Mr. Prashanth Palepu and Mr. Pranay Palepu and an interested person.

The aggregate amounts paid by our Group to Pleasant Exports for the purchase of pharmaceutical products during the Relevant Period were as follows:

| | | | | | 1 October 2022 to the Latest Practicable Date |
|---|--------|--------|--------|--------|---|
| US\$'000 | FY2020 | FY2021 | FY2022 | 1Q2023 | |
| Aggregate amounts paid to Pleasant Exports for the purchase of pharmaceutical products by our Group | 323 | 152 | 180 | 6 | 4 |

Pleasant Exports has been one of our Group's suppliers of pharmaceutical products since the establishment of our Group in 1996, even before Mr. Srinivasa Gopal Palepu, Mr. Prashanth Palepu and Mr. Pranay Palepu became the Controlling Shareholders of our Company and before Mr. Prashanth Palepu was appointed as our Non-Executive Director. As such, the pharmaceutical products purchased by our Group from Pleasant Exports during the Period Under Review were carried out in the ordinary course of business and operations. As the purchase prices of the pharmaceutical products paid by our Group to Pleasant Exports were of comparable prices charged to our Group by third-party suppliers for such pharmaceutical products, our Directors are of the view that these transactions are carried out on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of our Group or our minority Shareholders.

We intend to continue to enter into similar transactions with Pleasant Exports under the IPT General Mandate (as defined below) following the admission of our Company on Catalist. To ensure that all future purchases of pharmaceutical products from our interested persons are on an

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arms' length basis and will not be prejudicial to the interests of our Group and/or our minority Shareholders, such arrangements will be subject to the methods and procedures under the IPT General Mandate as set out in the section entitled "Interested Person Transactions – General Mandate for Interested Person Transactions" of this Offer Document.

GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

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

Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules allows a listed company to obtain a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

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

- (a) the names of the interested persons with whom the Entity at Risk (as defined below) will be transacting;
- (b) the nature of the transactions contemplated under the mandate;
- (c) the rationale for, and benefit to, the Entity at Risk;
- (d) the methods or procedures for determining transaction prices;
- (e) the independent financial adviser's opinion on whether the methods or procedures in (d) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders;

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- (f) an opinion from our Audit Committee if it takes a different view to the independent financial adviser;
- (g) a statement from us that we will obtain a fresh mandate from our Shareholders if the methods or procedures in (d) above become inappropriate; and
- (h) a statement that the interested person will abstain, and has undertaken to ensure that its Associates will abstain, from voting on the resolution approving the transaction.

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

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

By subscribing for the Placement Shares, new Shareholders are deemed to have approved the IPT General Mandate. The IPT General Mandate will be effective until the earlier of the following: (a) the conclusion of our first annual general meeting following the Listing; or (b) the first anniversary of the Listing Date. Thereafter, we will seek the approval of our Shareholders for a renewal of the IPT General Mandate at each subsequent annual general meeting or the date by which the next annual general meeting of our Company is required by law to be held, subject to satisfactory review by our Audit Committee of its continued application to the transactions with the Mandated Interested Persons.

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, interested persons and their Associates will abstain from voting on the resolutions approving the interested person transactions involving themselves and our Group. Furthermore, such interested persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the appointing shareholder. As such, our Non-Executive Director, Mr. Prashanth Palepu and his Associates have abstained from voting on the resolution approving the adoption of the IPT General Mandate and will abstain from voting on the resolutions approving the renewal of the IPT General Mandate.

Entities at Risk

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

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

(together, the “**EAR Group**”).

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Mandated Interested Persons

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

- (a) Pleasant Exports; and
- (b) Palepu Pharma Private Limited ("**Palepu Pharma**"),

(collectively, the "**Mandated Interested Persons**" and each, a "**Mandated Interested Person**", being an "interested person" as defined in the Catalist Rules).

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

Transactions between the Mandated Interested Persons and our Group which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules. In particular, if such transactions are of an aggregate value equal to or more than 5.0% of our Group's latest audited NTA, future transactions of such a nature will be subject to our Shareholders' approval before they can be entered into.

Categories of Mandated Interested Person Transactions

We envisage that in the ordinary course of our business, or which are necessary for our day-to-day operations, our Group is likely to enter into the following transactions with the Mandated Interested Persons from time to time:

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

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

Rationale for and Benefits of the IPT General Mandate

Pleasant Exports has been one of our Group's suppliers for quality pharmaceutical products since the establishment of our Group in 1996, even prior to its shareholders becoming the Controlling Shareholders of our Company. Pleasant Exports has a strong track record of supplying a wide variety of pharmaceutical products as it has established an extensive network to procure from reputable and reliable drugs manufacturers and pharmaceutical companies based in India, which

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is a key pharmaceutical manufacturing hub in the world. Accordingly, the IPT General Mandate would enable the EAR Group to tap on the extensive network of Pleasant Exports and obtain quality pharmaceutical products on normal commercial terms from a reliable source, being Pleasant Exports, in the normal course of business of the EAR Group.

Although our Group did not sell any masks and medical supplies to Pleasant Exports during the Relevant Period, given that Pleasant Exports has a strong presence and extensive outreach in India, the EAR Group intends to also tap on Pleasant Exports' extensive network to expand our Group's clientele base for the distribution of our masks and medical supplies, in the normal course of business of the EAR Group.

Palepu Pharma is one of the largest distributors in the state of Tamil Nadu, India and engaged in the procurement, wholesale and supply of pharmaceutical products since its establishment in 1960. While our Group did not transact with Palepu Pharma during the Relevant Period, we envisage that the EAR Group would sell masks and medical supplies to Palepu Pharma in the near future to tap on Palepu Pharma's strong presence and extensive network, particularly in respect of the retail and hospital-based pharmacies in India, and as part of our Group's plan to expand our clientele base for the distribution of our masks and medical supplies in the ordinary course of business.

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

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

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

Methods and Procedures for Mandated Transactions with the Mandated Interested Persons

To ensure that Mandated Transactions with the Mandated Interested Persons are undertaken (a) at arm's length and on normal commercial terms consistent with our Group's usual business practices and on terms which are generally not more favourable to the Mandated Interested Persons than those extended by the EAR Group to unrelated third-parties or not less favourable

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to our Group than those extended by unrelated third-parties to the EAR Group; or (b) in any event on terms no less favourable to the EAR Group than prevailing open market rates, and will not be prejudicial to the interests of our Company and our minority Shareholders, the EAR Group will adopt the following methods and procedures to undertake the conduct of the Mandated Transactions under the IPT General Mandate:

(a) For the purchase of pharmaceutical products by the EAR Group from the Mandated Interested Persons

- (i) Before any purchase of pharmaceutical products from any Mandated Interested Person, quotations from at least two (2) unrelated third-party suppliers for the same or similar types of pharmaceutical products will be obtained for comparison wherever appropriate and practicable ("**Comparable Quotes**"). In general, we will only purchase pharmaceutical products from the Mandated Interested Person if we are satisfied that the purchase price of such pharmaceutical products to be paid by the EAR Group to the Mandated Interested Person is not higher than the most competitive quote of the Comparable Quotes, after taking into account relevant factors such as the track record of the suppliers, the availability and delivery schedule, the relevant certification (if applicable, in particular for new pharmaceutical products), expiry dates and any other relevant factors.
- (ii) In the event that two (2) Comparable Quotes are not available (for instance, there are no unrelated third-party suppliers of similar products, or only one (1) Comparable Quote was obtained, or if the product is a proprietary item distributed only by the Mandated Interested Person), we will request for two (2) recent transaction documents from the Mandated Interested Person for the sale of the same or substantially similar products by the Mandated Interested Person to its unrelated third-party customers, as the basis for comparison to determine whether the prices and terms offered by the Mandated Interested Person are on normal commercial terms and not less favourable to the EAR Group as compared to those offered by the Mandated Interested Person to its unrelated third-party customers.
- (iii) In the event that the Mandated Interested Person is unable to share the relevant transaction documents with us for the above comparison purposes, our Chief Executive Officer or Chief Financial Officer or, in the event our Chief Executive Officer and Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person, an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the transaction) will determine whether the prices and terms offered by the Mandated Interested Person are in accordance with our Group's usual business practices and pricing policies or industry norms, on normal commercial terms and not prejudicial to the interests of our Company and our minority Shareholders after taking into account factors such as the historical rates or prices paid by our Group for the same or substantially similar products, credit terms, strategic purposes of the transaction and any other relevant factors. Our Chief Executive Officer, Chief Financial Officer and/or other officer of similar or equivalent rank may, if they deem fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, or require additional review by our internal auditors in respect of the Mandated Transactions.

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- (b) For the sale of masks and medical supplies by the EAR Group to the Mandated Interested Persons
- (i) Before any sale of masks and/or medical supplies by the EAR Group to the Mandated Interested Person, we will compare the quotation to be given to the Mandated Interested Person with at least two (2) recent successful sales of the same masks and/or medical supplies by the EAR Group to our unrelated third-party customers (“**Comparable Sales**”). In general, we will only transact with the Mandated Interested Person if we are satisfied that the selling price of such masks and/or medical supplies by the EAR Group to the Mandated Interested Person is not lower than the most competitive selling price of the Comparable Sales after taking into account relevant factors such as the credit terms granted for the sale, freight charges, the volume of sale and any other relevant factors.
 - (ii) In the event that Comparable Sales are not available (for instance, when the Mandated Interested Person requests for customised packaging for sale in their territories), our Chief Executive Officer or Chief Financial Officer or, in the event our Chief Executive Officer and Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person, an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the transaction) will determine whether the prices and terms offered to the Mandated Interested Person are in accordance with our Group’s usual business practices and pricing policies or industry norms, on normal commercial terms and not prejudicial to the interests of our Company and our minority Shareholders after taking into account factors such as the gross profit as well as the gross profit margin to be generated by our Group from the sale such that our Group’s gross profit margin will not be adversely affected by the sale. Our Chief Executive Officer, Chief Financial Officer and/or other officer of similar or equivalent rank may, if they deem fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, or require additional review by our internal auditors in respect of the Mandated Transactions.
- (c) In addition, the following approval thresholds will apply to the Mandated Transactions generally:
- (i) All Mandated Transactions will be subject to review and prior approval by our Chief Executive Officer or our Chief Financial Officer or, in the event our Chief Executive Officer and Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person, an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the transaction).
 - (ii) In respect of the purchase of pharmaceutical products by the EAR Group from the Mandated Interested Persons, where the value of such Mandated Transactions (either individually or cumulative during the same financial year) is equal to or exceeding 3.0% of the value of our Group’s latest audited NTA, such Mandated Transaction(s) will be subject to the review and prior approval of our Audit Committee.
 - (iii) In respect of sale of masks and/or medical supplies by the EAR Group to the Mandated Interested Persons, where the value of such Mandated Transactions (either individually or cumulatively during the same financial year) is equal to or exceeding 3.0% of the value of our Group’s latest audited NTA, such Mandated Transaction(s) will be subject to the review and prior approval of our Audit Committee.

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- (iv) For the avoidance of doubt, Mandated Transactions which have already been reviewed and approved by our Audit Committee will not be included in such calculations.
- (v) In the event that a member of our Audit Committee has an interest in the Mandated Transaction(s), or is a nominee for the time being of any of the Mandated Interested Persons (or its Associates), or if he also serves as a director on the board of directors of any of the Mandated Interested Persons, he shall abstain from participating in the review and approval process of our Audit Committee in relation to such Mandated Transaction.

Any transaction to be entered into under the IPT General Mandate shall only be approved by the above approving authority if the transaction is carried out at arm's length and on normal commercial terms, in accordance with the methods and procedures outlined in paragraphs (a) and (b) of this section, and the basis on which the transactions are entered into are properly documented in the IPT Register (as defined below), accompanied with supporting documents.

For the purposes of sub-paragraphs (i) and (ii) above, the value of a transaction shall be determined based on the full contract value at the time of entry into the transaction.

Additional Methods and Procedures

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

- (a) A register will be maintained to record the list of interested persons and their Associates (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons shall be reviewed on a semi-annual basis by our Chief Financial Officer and subject to such verifications or declarations as required by our Audit Committee for such period as determined by them. This list of interested persons shall be disseminated to any staff of our Group that our Group's finance team considers relevant for the purposes of entering into transactions that fall under the IPT General Mandate.
- (b) A register will be maintained to record all interested person transactions (including the Mandated Transactions) carried out with interested persons (including with the Mandated Interested Persons) (including the bases on which the interested person transactions are entered into, amount, nature, material terms and conditions and supporting evidence and quotations obtained to support such bases) (the "**IPT Register**") by our Group's finance team, which shall be reviewed by the Chief Financial Officer on a monthly basis. The IPT Register will also record any interested person transactions that are below S\$100,000 in value, although such transactions are not required to be aggregated under Chapter 9 of the Catalyst Rules.
- (c) Our Audit Committee shall review all Mandated Transactions (except where Mandated Transactions are required under the methods and procedures of the IPT General Mandate to be approved by our Audit Committee prior to the entry thereof) at least on a semi-annual basis, or such other frequency as deemed necessary, to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed

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necessary by our Audit Committee. Our Audit Committee shall, when it deems fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, or require additional review by our internal auditors in respect of the Mandated Transactions.

- (d) The annual internal audit plan will incorporate a review of the Mandated Transactions entered into, pursuant to the IPT General Mandate to ensure that the methods and procedures in respect of the Mandated Transactions have been adhered to. Our internal auditors will report to our Audit Committee annually and highlight any discrepancies or significant variances from the established methods and procedures for the Mandated Transactions to our Audit Committee.
- (e) Our Audit Committee will also review, at least on a semi-annual basis, or such other frequency as deemed necessary, such methods and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the EAR Group and the Mandated Interested Persons are conducted at arm's length and on normal commercial terms. If, during any of the reviews by our Audit Committee, our Audit Committee is of the view that the methods and procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of our Group or the Mandated Interested Persons are conducted, it will, in consultation with our Board, take such actions as it deems proper in respect of such methods and procedures and/or modify or implement such methods and procedures as may be necessary to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders, and we will revert to Shareholders for a fresh general mandate based on new methods and procedures so that the Mandated Transactions will be carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders. In the interim, our Audit Committee will review every Mandated Transaction pending the grant of the fresh mandate, which will be in accordance with the requirements of the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules (as may be amended, modified or supplemented from time to time).
- (f) Our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules (in particular, Chapter 9 thereof) and relevant accounting standards, are complied with. We will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

Review of Non-Mandated Interested Person Transactions by our Audit Committee

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

INTERESTED PERSON TRANSACTIONS

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

- (a) In relation to any purchase of products or procurement of services by us from any interested persons, our Group will obtain or procure additional quotations from at least two (2) unrelated third-party suppliers in respect of the same or substantially the same type of product or service to be used as comparison wherever possible. The purchase price or procurement fee shall not be less favourable than the most competitive price of the two (2) comparative prices from unrelated third-party suppliers.
- (b) In relation to any sale of products or provision of services by us to interested persons, our Group will compare the price or fee we quote to the interested person with at least two (2) recent completed transactions of the same or substantially the same nature entered by our Group with unrelated third-party customers wherever possible. The price or fee for the sale of products or the provision of services shall not be more favourable to the interested persons than those charged by our Group for the recently completed transactions with unrelated third-party customers.
- (c) When renting properties from or to an interested person, our Audit Committee shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including obtaining an independent valuation report by a property valuer and/or making relevant enquiries with landlords of similar properties (where available). The rent payable shall be based on the most competitive market rental rate of similar properties in terms of size and location, based on the results of the relevant enquiries.
- (d) In the event that it is not possible for appropriate information (for comparative purposes) to be obtained and given that the products or services may be purchased only from an interested person, our Audit Committee will determine whether the price, fees and/or the other terms offered by or to the interested persons are in accordance with usual business practices and pricing policies and consistent with the usual margins and/or terms to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken on an arm's length basis and on commercial terms.
- (e) The following thresholds also apply:
 - (i) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of our Group's latest audited NTA will be subject to review by our Audit Committee at least on a semi-annual basis, or such other frequency as deemed necessary;
 - (ii) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of our Group's latest audited NTA will be subject to the review and prior approval of our Audit Committee. Such approval shall only be given if the transactions are on an arm's length basis and on normal commercial terms and are consistent with similar types of transactions made with non-interested parties;

INTERESTED PERSON TRANSACTIONS

- (iii) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of our Group's latest audited NTA will be reviewed and approved by our Audit Committee and our independent Shareholders, prior to the carrying out of such transactions; and
- (iv) in the review of such interested person transactions, our Audit Committee may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers.

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

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

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

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

Opinion of the Independent Financial Adviser

Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser to our Audit Committee (the "**Independent Financial Adviser**") pursuant to Rule 920(1)(b)(v) of the Catalist Rules, to opine on whether the methods and procedures, as set out above, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

INTERESTED PERSON TRANSACTIONS

Having considered, among others, (a) the methods and procedures as well as the approval procedures and thresholds set out in the IPT General Mandate; (b) the frequency of review of Interested Person Transactions by our Chief Financial Officer, our Audit Committee and our internal auditors; (c) the role of our Audit Committee in relation to the IPT General Mandate; and (d) the rationale for and benefits of the IPT General Mandate, the Independent Financial Adviser is of the opinion that the methods and procedures for determining the transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders. Please refer to “Appendix D – Letter from the Independent Financial Adviser” to this Offer Document for more details.

Opinion of our Audit Committee

Having considered, among others, the rationale for and benefits of the IPT General Mandate, the methods and procedures for determining transaction prices of the Mandated Transactions, together with the opinion of the Independent Financial Adviser, our Audit Committee is of the opinion that the methods and procedures for determining the transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

POTENTIAL CONFLICTS OF INTEREST

In general, a conflict of interest situation arises when any of our Directors, Controlling Shareholders or their respective Associates carries on or has any interest in any other corporation carrying on the same business or dealing in similar products or services as our Group.

Certain of our Directors and Controlling Shareholders and their respective Associates may in the future hold, whether directly or by way of deemed interest, not more than a 5.0% interest in quoted or listed securities of companies that are in similar business as our Group, provided there is no involvement by such persons in the day-to-day management or operations in such entities.

Save as disclosed below and in the sections entitled “Interested Person Transactions” and “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document, none of our Directors, Executive Officers, Controlling Shareholders or any of their Associates has an interest, direct or indirect:

- (a) in any transaction to which our Group was or is to be a party;
- (b) in any entity carrying on the same business or dealing in similar products or services which competes materially and directly with the existing business of our Group; and
- (c) in any enterprise or company that is our Group’s customer or supplier of goods and services.

Save as disclosed in the sections entitled “Interested Person Transactions” and “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document, none of our Directors has any interest in any existing contract or arrangement which is significant in relation to the business of our Group, taken as a whole.

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Interests of our Non-Executive Director and Controlling Shareholder, Mr. Prashanth Palepu, and our Controlling Shareholders, Mr. Srinivasa Gopal Palepu and Mr. Pranay Palepu

As disclosed in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of this Offer Document, our Non-Executive Director and Controlling Shareholder, Mr. Prashanth Palepu, and our Controlling Shareholders, Mr. Srinivasa Gopal Palepu and Mr. Pranay Palepu, collectively hold the entire issued share capital of Pleasant Exports.

Additionally, our Controlling Shareholder, Mr. Srinivasa Gopal Palepu, together with his immediate family, hold in aggregate 40.0% of the share capital of Palepu Pharma. Our Non-Executive Director and Controlling Shareholder, Mr. Prashanth Palepu, is also the chief operating officer of Palepu Pharma.

We believe that there does not exist any conflicts of interest arising from the foregoing due to the following reasons:

- (a) the geographical markets in which our Group operates as compared to those of Palepu Pharma and Pleasant Exports are distinct and segregated. As at the Latest Practicable Date, (i) Palepu Pharma is only engaged in the supply of procurement, wholesale and supply of pharmaceutical products in India, where our Group has no operations; and (ii) Pleasant Exports is only engaged in the supply of pharmaceutical products to one customer each in Mauritius and Sri Lanka (which are not customers of our Group and where our Group has no operations), as well as in Singapore (where our Group is the only customer);
- (b) there is no overlap in the management of our Group as compared to that of Palepu Pharma and Pleasant Exports. In this regard, while our Non-Executive Director, Mr. Prashanth Palepu, is the chief operating officer of Palepu Pharma, he is not involved in the day-to-day management and operations of our Group;
- (c) any future transactions between our Group and Palepu Pharma and/or Pleasant Exports will be:
 - (i) in respect of any Mandated Transactions, conducted in accordance with the review procedures under the IPT General Mandate as set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of this Offer Document; and
 - (ii) in respect of all other transactions, conducted in accordance with the review procedures for all other existing and future interested person transactions as set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Review of Non-Mandated Interested Person Transactions by our Audit Committee” of this Offer Document,

and in any case, subject to Chapter 9 of the Catalist Rules, including Rules 905 and 906.

Although our Group does not conduct any operations in India as at the Latest Practicable Date, we may expand the geographical scope of our business operations to include India in the future by collaborating with its existing business partners. In such an event, our Group may do so through supplying masks and pharmaceutical products to Palepu Pharma as a distributor, to tap on its established connections and network of customers which mainly include pharmacies, hospitals and clinics located in India. Any such collaborations would also be subject to the

INTERESTED PERSON TRANSACTIONS

safeguards set out above. For further details, please refer to the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document.

Deeds of Undertaking

To mitigate any actual, perceived or potential conflict of interests, Mr. Srinivasa Gopal Palepu, Mr. Prashanth Palepu and Mr. Pranay Palepu (collectively, the “**Grantors**”), have each executed a deed of undertaking (collectively, the “**Deeds of Undertaking**”) in favour of our Company, pursuant to which the Grantors have undertaken not to, and to procure his/its Associates not to, compete with the principal business activities carried out by our Group, and to grant us a right of first refusal (“**ROFR**”) in respect of new business opportunities which are wholly or partly in competition with the principal business activities carried out by our Group.

For the purposes of the Deeds of Undertaking:

“**Associate**”, in relation to an individual, means (a) his Immediate Family; (b) the trustees of any trust of which he and/or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (c) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30.0% or more.

“**Excluded Territory**” means India.

“**Group**” means our Company and its subsidiaries (and “**Group Company**” means any one of them).

“**Immediate Family**”, in relation to an individual, means his spouse, child, adopted child, step-child, sibling or parent.

“**Participate**” means to be directly or indirectly engaged (whether alone or in partnership or joint venture with anyone else), concerned (whether by the provision of expertise, information or financial assistance to such business or otherwise) or interested (whether as trustee, principal, agent, officer, director shareholder, unitholder, employee or in any other capacity) in (and “**Participation**” shall be construed accordingly).

“**Relevant Entities**” means (a) (in the case of Mr. Srinivasa Gopal Palepu and Mr. Prashanth Palepu) Pleasant Exports and Palepu Pharma collectively; and (b) (in the case of Mr. Pranay Palepu) Pleasant Exports only.

“**Restricted Business**” means (a) the development, marketing and supply of masks, including but not limited to surgical masks, N95 respirators, surgical N95 respirators and N95 respirators for general public use; (b) the wholesale, procurement, supply, cold-chain management and/or drop-shipment of pharmaceutical products, nutraceutical products and medical supplies and devices; (c) the marketing and supply of oral disintegrating strips; (d) the provision of pet health and nutrition services, including but not limited to the development of digital health trackers and mobile applications and websites to access health services; and/or (e) such other business as may be carried out by our Group from time to time.

INTERESTED PERSON TRANSACTIONS

Non-Compete Undertaking

Each of the Grantors has undertaken to our Company (the “**Non-Compete Undertaking**”) that, for the duration of their respective Deeds of Undertaking, each of them shall not, and shall procure that none of his Associates (including the Relevant Entities) shall:

- (a) (except as a representative or nominee of a Group Company) Participate in any business which is wholly or partly in competition with any Restricted Business (whether carried on by any Group Company by itself or themselves or in partnership, common ownership or as a joint venture with any third-party);
- (b) either:
 - (i) directly or indirectly solicit, market to, entice away, interfere with or make arrangements which have the effect of harming contractual or other trade relations of our Group; or
 - (ii) attempt to solicit, market to, entice away, interfere with or make arrangements which have the effect of harming contractual or other trade relations, whether directly or indirectly, between our Group and any person or corporation who:
 - (A) is or has been at any time a customer, client or supplier of our Group;
 - (B) has business dealings with our Group; or
 - (C) is in commercial negotiations with our Group with a view to placing business with our Group;
- (c) directly or indirectly solicit, induce, recruit, encourage or attempt to solicit, induce, recruit or encourage any of the employees of our Group to discontinue or terminate his/her employment with our Group regardless of whether such person would commit a breach of his/her contract of employment with our Group by reason of leaving such employment;
- (d) directly or indirectly utilise the resources or assets of our Group for the benefit of, or otherwise assist, any person, entity or corporation carrying on any business or activity that is similar to or directly or indirectly in competition with the Restricted Business; and
- (e) directly or indirectly use, divulge, disclose or communicate to any person, entity or corporation any important or confidential information or trade secrets related to our Group’s affairs, business, customers, suppliers or business associates, other than information properly available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction,

provided that while the aforementioned restrictions are considered by our Company and each of the Grantors to be reasonable in all the circumstances, it is agreed between our Company and each of the Grantors that if any one or more of such restrictions shall either taken by itself or themselves together be adjudged to go beyond what is reasonable in all the circumstances for the protection of the legitimate interest of our Group, but would be adjudged reasonable if any particular restriction or restrictions or if any part or parts of the wording thereof were deleted, restricted or limited in any particular manner then the restrictions shall apply with such deletions, restrictions or limitations, as the case may be.

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The Non-Compete Undertaking shall not apply to:

- (a) any interest(s) in any Group Company;
- (b) the carrying on of any business by the Grantor and/or his Associates with the existing customers of the Grantor and/or his Associates as at the date of the Deed of Undertaking; and/or
- (c) the Grantor and/or his Associates carrying on and/or Participating in any business activities in the Excluded Territory.

Right of First Refusal

Each of the Grantors has also undertaken in the respective Deeds of Undertaking that, in the event the Grantor and/or his Associate (including the Relevant Entities) intends to, or is presented with an opportunity to, Participate in any business which is wholly or partly in competition with any Restricted Business (whether carried on by any Group Company by itself or themselves or in partnership, common ownership or as a joint venture with any third-party) (the “**Opportunity**”), the Grantor shall, and shall procure that his relevant Associate(s) shall (as the case may be), immediately notify our Company in writing of the Opportunity (the “**ROFR Notice**”).

The ROFR Notice shall be accompanied by all supporting documentation as may be available to the relevant Grantor and/or his Associates (as the case may be) and include all details of the Opportunity as may be required for our Company to evaluate the Opportunity. Such ROFR Notice shall be provided to our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong.

Our Company shall, within one (1) month from the date of receipt of the ROFR Notice (or such other date as our Company and the relevant Grantor may agree), indicate to the relevant Grantor in writing of its interest in the Opportunity (the “**ROFR Response**”).

Upon incurring the obligation to provide the ROFR Notice above and pending receipt of the ROFR Response, the relevant Grantor:

- (a) shall not, and shall procure that each of his Associates (including the Relevant Entities) shall not, Participate in the Opportunity;
- (b) shall, and shall procure that his relevant Associate shall (as the case may be), introduce the offeror of the Opportunity to our Company; and
- (c) shall facilitate our Company’s evaluation and Participation in the Opportunity.

In the event that our Company does not, within one (1) month from the date of receipt of the ROFR Notice (or such other date as our Company and the relevant Grantor may agree), provide the ROFR Response, or our Company has indicated in writing to the relevant Grantor that it is not interested in the Opportunity and delivers notice to the relevant Grantor to this effect, the Grantor and/or his Associates shall, subject to the below, be free to Participate in the Opportunity, provided that such Participation by the Grantor and/or his Associates is on terms and conditions that are not more favourable than that which was presented to our Company in the ROFR Notice. If the completion of the Participation by the Grantor and/or his Associates of the relevant Opportunity does not complete within three (3) months from the date of the ROFR Notice (or such other period as our Company agrees to in writing), any proposal to Participate in such relevant Opportunity

INTERESTED PERSON TRANSACTIONS

after the aforesaid three (3)-month period (or such other period as our Company agrees to in writing) shall then remain subject to the ROFR.

Where the relevant Grantor and/or his Associates (such person shall hereinafter referred to as the **“Potential Interested Person”**) intends to Participate in an Opportunity, the Grantor shall immediately notify the Board in writing of the intention to Participate in such Opportunity and shall, as soon as practicable and in any event, within 30 days from the date of the ROFR Response (or such other period as our Company agrees to in writing), either:

- (a) as soon as practicable, resign, or undertake that each of his Associates resign (as the case may be) as director(s) of our Company and/or any Group Company; or
- (b) (where the Opportunity is proposed to be undertaken by a Potential Interested Person which is a corporation) dispose or procure the disposal of his and/or his Immediate Family’s interest in the Potential Interested Person (whether equity interest or otherwise) such that the Potential Interested Person ceases to be an Associate of the Grantor.

The ROFR shall not apply to any Opportunity solely in the Excluded Territory.

Duration of the Deeds of Undertaking

The Deeds of Undertaking shall take effect on the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, and shall continue in full force and effect for as long as:

- (a) the relevant Grantor and/or his Associate(s) is an “interested person” (as defined under Chapter 9 of the Catalist Rules) of our Company and/or a key Executive Officer of our Group; and
- (b) our Company continues to be listed on the SGX-ST.

Our Audit Committee will, following the Listing, review and assess at least on a semi-annual basis, or such other frequency as deemed necessary, the prevailing processes put in place to manage any material conflicts of interest within our Group (including the Deeds of Undertaking) and propose, where appropriate, the additional measures for the management of such conflicts.

Interests of Experts

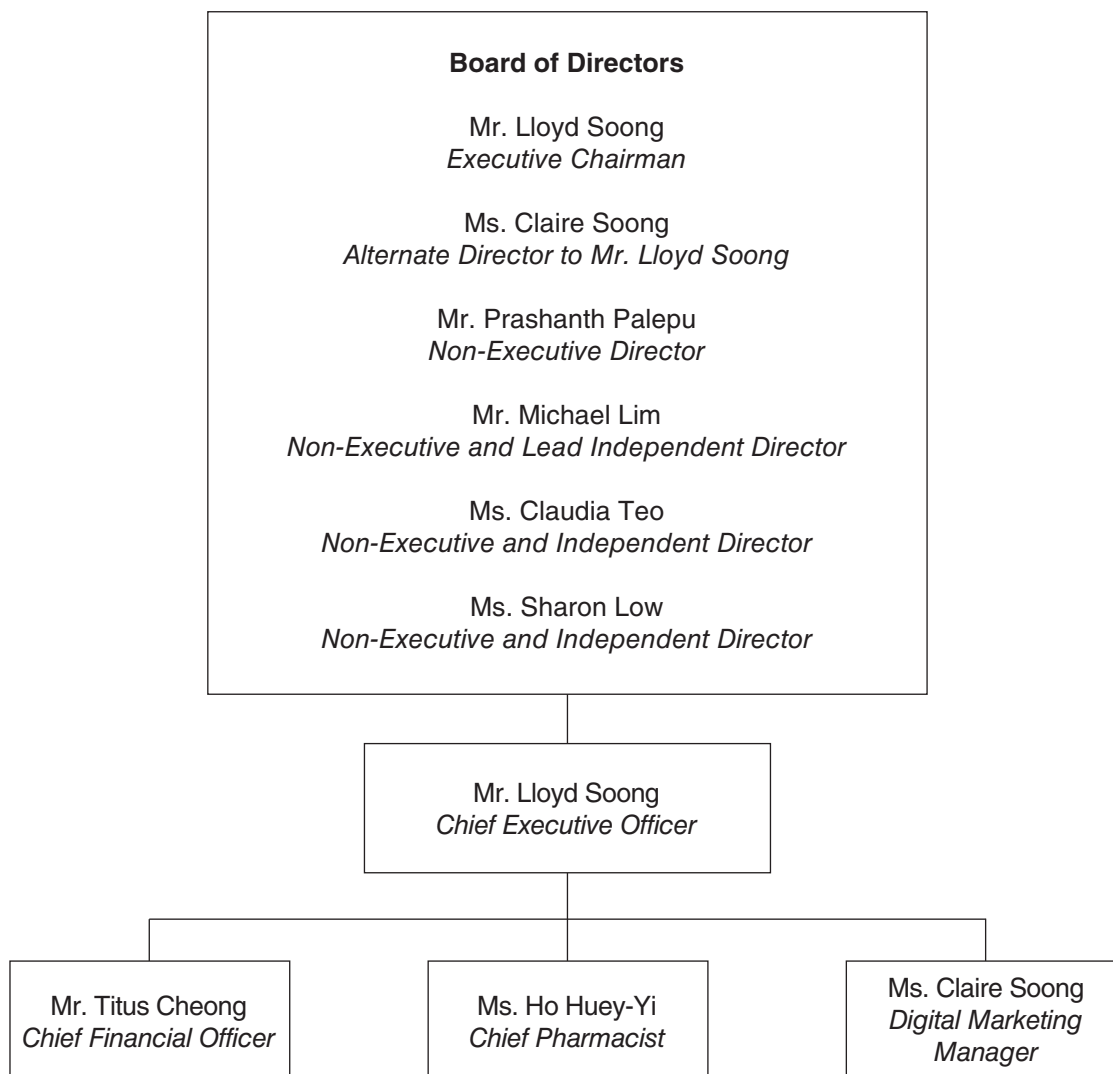
No expert is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to our Company or its subsidiaries or are proposed to be acquired or disposed of by or leased to our Company or its subsidiaries.

No expert (a) is employed on a contingent basis by our Company or any of our subsidiaries; (b) has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries; or (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure as at the Latest Practicable Date.



DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Group. Our Directors' particulars are listed below:

| Name | Age | Address | Designation |
|------------------|-----|---|-----------------------------------|
| Lloyd Soong | 61 | 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 | Executive Chairman |
| Claire Soong | 28 | 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 | Alternate Director to Lloyd Soong |
| Prashanth Palepu | 30 | 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 | Non-Executive Director |

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

| Name | Age | Address | Designation |
|-------------|-----|---|---|
| Michael Lim | 66 | 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 | Non-Executive and Lead Independent Director |
| Claudia Teo | 56 | 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 | Non-Executive and Independent Director |
| Sharon Low | 47 | 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 | Non-Executive and Independent Director |

Experience of our Board of Directors

Information on the business and working experience of our Directors are set out below:

Mr. Lloyd Soong is the Executive Chairman and Chief Executive Officer and was appointed to our Board on 3 November 2017.

Mr. Soong is the founder of our Group and is responsible for overseeing the overall business, operations and performance of our Group and formulating the business plan and strategic direction of our Group. Mr. Soong also spearheads various of our Group's product development activities.

Mr. Soong has had over 39 years of experience in the pharmaceutical and medical supplies and devices industry. Mr. Soong started as a representative for Ciba (Singapore) Pte. Ltd. (formerly known as Ciba-Geigy S.E. Asia (Private) Ltd) from 1983 to 1985 and a representative for Syntex Laboratories (Singapore) Pte Ltd from 1986 to 1987. Thereafter, he joined Novartis (Singapore) Pte Ltd (formerly known as Sandoz Pharmaceuticals (Singapore) Pte Ltd) as the head of operations from 1987 to 1995 and became the general manager of PT Rajawali Corpora from 1995 to 1996, before founding our Group in 1996.

Mr. Soong graduated with a Master of Business Administration (Strategic Marketing) from the University of Hull, England in 1993.

Ms. Claire Soong is the Alternate Director to Mr. Lloyd Soong and our Digital Marketing Manager and was appointed to our Board on 29 March 2023.

Ms. Soong joined our Group in November 2021 as our Digital Marketing Manager, to oversee the digitalisation and marketing efforts of our Group, particularly to enhance our Group's online presence, strengthen our marketing capabilities especially within the digital marketing sector, and to oversee the end-to-end formulation of new digital initiatives such as our "furlife" mobile application.

Prior to joining our Group, Ms. Soong was involved in communications and marketing at Lululemon Athletica from September 2017 to December 2017, before joining Maker Lab at Google APAC as a social community manager from February 2018 to December 2020, and as a content strategist from January 2021 to September 2021.

Ms. Soong graduated with a Bachelor of Commerce from McGill University in 2017.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Mr. Prashanth Palepu is a Non-Executive Director and was appointed to our Board on 3 November 2017.

Mr. Palepu joined our Group in July 2017 as a non-executive director of our subsidiaries, Pasture Pharma and Pacific Biosciences, and thereafter, was appointed as a non-executive director of Pasture PharmaHub in September 2019. He is a director appointed by Plutus Star Holding Pte. Ltd. to oversee the investment of Plutus Star Holding Pte. Ltd. in our Group. While he is not involved in the day-to-day management and operations of our Group, from time to time, on an ad-hoc basis when requested by our Group, he will assist in representing our Group in his capacity as non-executive director in India, where he is currently located, in relation to our Group's suppliers in India. Mr. Palepu started his career at British American Tobacco Singapore Pte. Ltd., where he was a material planner and data analyst from April 2015 to October 2016, and was part of the Asia Pacific regional supply chain team, where he was the project lead for the data code harmonisation of multiple materials groups. He joined Palepu Pharma as the chief operating officer from October 2016 to date, which is an entity involved in the wholesale, distribution and supply of pharmaceutical products in India, where Mr. Palepu spearheaded developments within the supply chain process, such as artificial intelligence and machine learning algorithms to predict the supply load to reduce the manual labour dependency.

Mr. Palepu has been a member of the Entrepreneurs Organisation in India since 2017, which is a global platform for entrepreneurs.

Mr. Palepu obtained a Bachelor of Commerce from the Loyola College, Chennai in April 2013 and graduated with a Master of Science in Supply Chain and Logistics Management from the University of Warwick, England in December 2014.

Mr. Michael Lim is a Non-Executive and Lead Independent Director and was appointed to our Board on 29 March 2023.

Mr. Lim is currently the chief financial officer of Fuelcore Pte. Ltd., where he is primarily responsible for overseeing the financing operations and reporting, corporate finance and tax functions of the company.

Mr. Lim has over 30 years of experience in corporate finance, corporate restructuring and tax planning, where he has held several senior finance positions, including as chief financial officer. He joined IPCO International Limited from May 1989 to December 1995, his last position held being the vice president of finance, where he headed the initial public offering and listing of IPCO International Limited on the SGX-ST. Following which, he returned to Malaysia to be the chief financial officer of Measat Broadcast Network Systems Sdn. Bhd. (ASTRO) from January 1996 to December 1996 and thereafter, as director of finance of Kuala Lumpur Industries Holdings Berhad (listed on the Kuala Lumpur Stock Exchange (now known as the Bursa Malaysia)) from January 1997 to December 1998. From January 1999 to December 2001, Mr. Lim was the chief financial officer of John Holland Malaysia Sdn Bhd, where he assisted in the group's corporate and financial restructuring. Between December 2001 to March 2004, Mr. Lim was the senior vice president of finance at Star Cruises Limited (listed on The Stock Exchange of Hong Kong Limited), where he was responsible for the group's finance, taxation, corporate finance and reporting functions. Mr. Lim joined Stemlife Berhad in March 2004, where he assisted in the listing of Stemlife Berhad on the ACE Market of the Bursa Malaysia in 2006, before joining Fuelcore Pte. Ltd. as its chief financial officer in June 2015.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Mr. Lim completed his professional education with the Institute of Chartered Accountants in England and Wales from 1979 to 1983. Mr. Lim was admitted to the Institute of Chartered Accountants in England and Wales in 1983 as an Associate Member and became a Fellow Chartered Accountant in 1994.

Ms. Claudia Teo is a Non-Executive and Independent Director and was appointed to our Board on 29 March 2023.

Ms. Teo is currently the head of the corporate and financial services practice group in Harry Elias Partnership LLP (“HEP”). She has over 20 years of experience in advising on landmark transactions in corporate finance, including initial public offerings on the SGX-ST, placements and rights issues, privatisations, compliance and corporate governance issues. Ms. Teo joined HEP in 2006 where her main areas of practice are in corporate finance and mergers and acquisitions transactions throughout Asia.

Between June 2015 to October 2021, Ms. Teo served as an independent non-executive director of iX Biopharma Ltd. (a company listed on the SGX-ST), where she served as the chairperson of the nominating committee and the risk management committee, and was also a member of the audit committee and remuneration committee.

Ms. Teo was recommended in the 2015 edition of the Legal 500 Asia-Pacific and also in the 2014 edition of Asialaw's Leading Lawyer publication. Ms. Teo is also a non-executive director and a member of the investment committee and the governance and risk committee of Ren Ci Hospital, a Singapore charity healthcare institution. She is also a member of the investment committee of Singapore Hokkien Huay Kuan and an independent director of The Hokkien Foundation.

Ms. Teo completed her Bachelor of Laws (Hons) at the University of Manchester. She is dually qualified as a barrister and a solicitor of England and Wales and is admitted to the Rolls of Solicitors of Hong Kong. Ms. Teo was called to the Singapore Bar in 1990.

Ms. Sharon Low is a Non-Executive and Independent Director and was appointed to our Board on 29 March 2023.

Ms. Low currently serves as a non-executive director of KRZ Limited, a company in Hong Kong which provides consulting and investment services. Prior to the foregoing, Ms. Low was the founder and managing director of StemLife Berhad from December 2002 to August 2012, a cord blood and peripheral stem cell collection, testing, processing and storage facility, where she was responsible for the overall growth and development of the company and its business. She also worked as an operations director in Cordlife Pte. Ltd. between January 2001 to December 2002, a lecturer at JAF Enrichment Services Pte. Ltd. a managing editor of Catcha Corp Pte. Ltd. from April 2000 to December 2002 and was a junior research fellow in animal health biotechnology at the Institute of Molecular Agrobiolology of Singapore between November 1997 to March 2001, where she conducted multiple research projects focusing on the development of solutions to hazardous animal-borne diseases affecting humans.

Ms. Low obtained a Bachelor of Science (Hons) in Biochemistry, Molecular Biology & Biotechnology from the University of Bristol in 1997.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Present and Past Directorships of our Directors

The list of present and past directorships of each Director over the last five (5) years up to the Latest Practicable Date, excluding that held in our Company, are set out in “Appendix J – List of Present and Past Directorships” to this Offer Document.

Expertise of our Directors

As evidenced by their respective business and working experience set out above, our Directors possess the appropriate expertise to act as directors of our Company. Save for Ms. Claudia Teo, our Directors do not have prior experience as directors of public listed companies in Singapore but have been briefed on the roles and responsibilities of a director of a public listed company in Singapore. In accordance with the requirements under the Catalist Rules, our remaining Directors, Mr. Lloyd Soong, Ms. Claire Soong, Mr. Prashanth Palepu, Mr. Michael Lim and Ms. Sharon Low will complete the relevant courses on the roles and responsibilities of a director of a public listed company in Singapore organised by the Singapore Institute of Directors for listed entity essentials, board dynamics, board performance, stakeholder engagement and environmental, social and governance essentials by the end of the first year after the admission of our Company to the Catalist of the SGX-ST.

In accordance with Schedule 1 of Practice Note 4D of the Catalist Rules, Mr. Lloyd Soong, Ms. Claire Soong, Mr. Prashanth Palepu, Mr. Michael Lim and Ms. Sharon Low will attend the courses on audit committee essentials, board risk committee essentials, nominating committee essentials and remuneration committee essentials, where relevant to their respective appointments to our Board, by the end of the first year after the admission of our Company to the Catalist of the SGX-ST.

None of our Independent Directors sit on any of the boards of our subsidiaries.

EXECUTIVE OFFICERS

The particulars of our Executive Officers are set out below:

| Name | Age | Address | Designation |
|--------------|-----|---|---------------------------|
| Lloyd Soong | 61 | 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 | Chief Executive Officer |
| Titus Cheong | 59 | 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 | Chief Financial Officer |
| Ho Huey-Yi | 44 | 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 | Chief Pharmacist |
| Claire Soong | 28 | 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969 | Digital Marketing Manager |

Experience of our Executive Officers

Information on the business and working experience, educational and professional qualifications, if any, and areas of responsibilities of our Executive Officers are set out below:

Mr. Lloyd Soong is our Executive Chairman and Chief Executive Officer.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Please refer to the section entitled “Directors, Executive Officers and Employees – Directors – Experience of our Board of Directors” of this Offer Document.

Mr. Titus Cheong is our Chief Financial Officer.

Mr. Cheong joined our Group in September 2021 as our Chief Financial Officer and is responsible for overseeing a wide range of responsibilities of our Group, including the finance, mergers & acquisitions, private equity, corporate advisory, corporate social responsibility, compliance and governance operations.

Mr. Cheong is a seasoned corporate advisor with expertise in corporate turnaround, mergers & acquisitions, corporate finance and business and IT strategy.

Prior to joining our Group, Mr. Cheong took on several roles in business development and management in Dun & Bradstreet Singapore Pte. Ltd. between December 1989 to February 1993, Thomson Financial Asia Pte Ltd (now known as Reuters Group Singapore) between February 1993 to January 1998, NCS Pte. Ltd. between January 1998 to December 2000 and KPMG Consulting Ltd between January 2001 to February 2004. From February 2004 to November 2007, Mr. Cheong was the regional director for Hewlett Packard Asia-Pacific Pte Ltd where he led several functions such as consulting services, sales and marketing, resource management, financial management, client relations and partner and alliance management. Between November 2007 to November 2010, Mr. Cheong served as the foundation secretary to the Putera Sampoerna Foundation, Indonesia, where he was in charge of business development, fundraising, marketing and international relations. Thereafter, he was the senior vice president at Singapore Medical Group Ltd from December 2011 to June 2012, a specialist medical and healthcare provider listed on the Catalist of the SGX-ST, where he assisted in the sale of the founder-owner’s stake to a consortium and another medical group, and was the senior director and chief operating officer of the Singapore International Foundation from July 2012 to November 2015, a non-profit organisation for relief programmes, and a managing director for business development in Singapore for Renoir Consulting Limited, a management consulting firm from December 2015 to August 2017. Mr. Cheong was appointed the chief financial officer of Tuck Lee Ice Pte Ltd from September 2017 to December 2020 where he advised on business development matters.

Mr. Cheong served as an executive director of Vividthree Holdings Ltd., which is listed on the Catalist of the SGX-ST, from February 2021 to December 2021 and has been appointed as an independent director of Cordlife Group Limited (a company listed on the SGX-ST) since December 2021, where he also serves as a member of the audit and risk committee, the nominating committee and the remuneration committee. He is also a director of Mercy Relief Limited since June 2020, where he also serves as a member of the compliance & governance and fundraising committee.

Mr. Cheong obtained a Bachelor of Commerce from the University of Toronto in 1989.

Ms. Ho Huey-Yi is our Chief Pharmacist.

Ms. Ho joined our Group as a pharmacist in December 2013 and become our Group’s Chief Pharmacist since November 2019. She is responsible for managing the pharmaceutical regulatory affairs for our Group, including controlled drugs management and overseeing our Group’s quality management system, to ensure regulatory compliance with local laws. She also manages our Group’s daily business operations, including managing the staff and inventory and ensuring the safe storage of pharmaceutical products, medical devices and controlled drugs.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Ms. Ho has over 19 years of experience in the pharmaceutical industry. Prior to joining our Group, Ms. Ho worked as a pharmacist at the Lily NUS Centre for Clinical Pharmacology, Watson's Personal Care Stores Pte Ltd and Guardian Health and Beauty.

Ms. Ho obtained a Bachelor of Science (Pharmacy) from the National University of Singapore in 2002. She has also been certified as a registered pharmacist by the Singapore Pharmacy Board since 2003, and is also certified as a Singapore Traditional Chinese Medicine Physician by the Traditional Chinese Medicine Practitioners Board since 2013.

Ms. Claire Soong is the Alternate Director to Mr. Lloyd Soong and our Digital Marketing Manager.

Please refer to the section entitled “Directors, Executive Officers and Employees – Directors – Experience of our Board of Directors” of this Offer Document.

Present and Past Directorships of our Executive Officers

The list of present and past directorships of each Executive Officer over the last five (5) years up to the Latest Practicable Date, excluding that held in our Company, are set out in “Appendix J – List of Present and Past Directorships” to this Offer Document.

FAMILY RELATIONSHIPS

The Alternate Director to Mr. Lloyd Soong and our Digital Marketing Manager, Ms. Claire Soong, is the daughter of our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong. She is also a non-executive director of PMI Holdings Pte. Ltd., a Controlling Shareholder of our Company.

Our Non-Executive Director, Mr. Prashanth Palepu, is (a) the son of Mr. Srinivasa Gopal Palepu, who is the director and controlling shareholder of Plutus Star Holding Pte. Ltd., a Controlling Shareholder of our Company; and (b) the brother of Mr. Pranay Palepu, who is the controlling shareholder of Plutus Star Holding Pte. Ltd., a Controlling Shareholder of our Company.

Save in respect of the foregoing, as at the Latest Practicable Date, none of our Directors and Executive Officers are related by blood or marriage to one another nor are they so related to any Substantial Shareholders of our Company.

ARRANGEMENTS OR UNDERSTANDINGS

Save as disclosed in the sections entitled “Directors, Executive Officers and Employees – Family Relationships” and “Shareholders” of this Offer Document, to the best of our knowledge and belief, there are no arrangements or understandings with any of our Substantial Shareholders, customers, suppliers or others, pursuant to which any of our Directors and/or our Executive Officers were appointed.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

REMUNERATION

The compensation (which includes benefits-in-kind, contributions to CPF, directors' fees and bonuses) paid to our Directors and our Executive Officers for services rendered to us and our subsidiaries on an aggregate basis and in remuneration bands⁽¹⁾⁽²⁾ for FY2021 and FY2022, and the estimated compensation (including benefits-in-kind, contributions to CPF, directors' fees and bonuses) expected to be paid for FY2023 is as follows:

| Name | FY2021 | FY2022 | FY2023 (Estimated) |
|--|--------|-----------------------|-----------------------|
| Directors | | | |
| Lloyd Soong | Band B | Band B | Band B |
| Claire Soong (alternate Director to Lloyd Soong) | – | Band C ⁽³⁾ | Band C |
| Prashanth Palepu | Band C | – ⁽⁴⁾ | Band C |
| Michael Lim | – | – | Band C |
| Claudia Teo | – | – | Band C |
| Sharon Low | – | – | Band C |
| Executive Officers | | | |
| Titus Cheong | – | Band C | Band C |
| Ho Huey-Yi | Band C | Band C | Band C |

Notes:

- (1) Remuneration includes any bonus (discretionary or under any profit-linked arrangements), contributions to CPF, benefits-in-kind and any deferred compensation accrued for the relevant financial year and payable at a later date.
- (2) Band A: Compensation of between S\$500,001 to S\$750,000 per annum.
Band B: Compensation of between S\$250,001 to S\$500,000 per annum.
Band C: Compensation from S\$0 to S\$250,000 per annum.
- (3) Ms. Claire Soong is the daughter of our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong. Ms. Claire Soong commenced her employment with our Group in FY2022. The amount of compensation paid to Ms. Claire Soong for FY2022 was between S\$50,000 to S\$100,000.
- (4) Prior to the Listing of our Company, there was no fixed remuneration or fees agreed between our Company and Mr. Prashanth Palepu. For FY2022, Mr. Prashanth Palepu made a voluntary decision not to receive any form of remuneration for that financial year.

Save as disclosed in the section entitled “Directors, Executive Officers and Employees – Family Relationships” of this Offer Document, there are (a) no family relationships among any of our Directors, Executive Officers or Substantial Shareholders; and (b) no employees of our Group who are immediate family members of any of our Directors.

Save as described in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document, as at the date of this Offer Document, we do not have in place any formal bonus or profit-sharing plan or any other profit-linked agreement or arrangement with any of our employees and bonus is expected to be paid on a discretionary basis.

No remuneration was paid or is to be paid in the form of share options to any of our Directors, Executive Officers or employees.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

As at the Latest Practicable Date, other than the amounts set aside or accrued as required for compliance with the applicable laws of Singapore, no amounts have been set aside or accrued by our Group to provide for pension, retirement or similar benefits for any of our employees.

EMPLOYEES

The following table sets forth the breakdown of our employees by activity as at the end of each of FY2020, FY2021, FY2022 and 1Q2023:

| Function | As at 30 June | | | As at |
|-----------------------------|---------------|-----------|-----------|-------------------|
| | 2020 | 2021 | 2022 | 30 September 2022 |
| Management | 1 | 1 | 1 | 1 |
| Finance and human resources | 4 | 5 | 5 | 5 |
| Warehouse and logistics | 3 | 3 | 4 | 4 |
| Sales and marketing | 2 | 1 | 1 | 1 |
| Sales support | 1 | 2 | 2 | 2 |
| Drop-shipment | 7 | 5 | 3 | 3 |
| Total | 18 | 17 | 16 | 16 |

All our employees are employed and working in Singapore. We do not employ any temporary or part-time staff. None of our full-time employees are unionised. We hold regular employee meetings with employee representatives where suggestions and comments on various aspects of our Group are provided for us to consider making the appropriate adjustments and improvements. There was no significant change to the total number of employees during the Period Under Review.

We believe that we maintain a good working relationship with our employees and we did not experience any significant labour disputes or any difficulty in recruiting staff during the Period Under Review and up to the Latest Practicable Date.

SERVICE AGREEMENTS

Our Company has entered into separate service agreements (the “**Service Agreements**”) with our Executive Directors, namely, Mr. Lloyd Soong and Ms. Claire Soong, and our Chief Financial Officer, Mr. Titus Cheong, for a period of three (3) years with effect from the Listing Date, which shall and thereafter continue from year to year (unless otherwise terminated by either party giving not less than six (6) months’ prior written notice to the other, or by our Company paying an amount equal to six (6) months’ salary in lieu of notice). Notwithstanding anything to the contrary provided in the Service Agreements, each of our Executive Director’s employment is subject to re-nomination and re-appointment, at regular intervals of at least once every three (3) years, by our Shareholders at a general meeting, pursuant to Rule 720(4) of the Catalist Rules.

We may also terminate the Service Agreements, if any of them, amongst others, (a) is disqualified to act as Executive Director or Executive Officer (as the case may be) under any applicable laws or regulations, our Constitution or any rules prescribed by the SGX-ST; (b) is guilty of dishonesty, gross misconduct or wilful neglect of duty; (c) commits any fraudulent act, or fails to act, by which

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

the omission is fraudulent, in the performance of his/her duties; (d) is guilty of conduct likely to bring himself/herself or any member of our Group into disrepute; (e) becomes bankrupt or makes any arrangement or composition with his/her creditors or suffers a receiving order being made against him/her; (f) is convicted of any criminal offence (other than an offence which in the reasonable opinion of our Board does not affect his/her position in our Company); or (g) in the reasonable opinion of our Board, breaches any material provision of the Service Agreement.

Under the terms of the Service Agreements, each of our Executive Directors, namely, Mr. Lloyd Soong and Ms. Claire Soong, and our Chief Financial Officer, Mr. Titus Cheong, are entitled to participate in our Company's profits, pursuant to which he/she is entitled to receive an annual incentive bonus (the "**Incentive Bonus**") in respect of each financial year based on a percentage of our Group's PBT, as shall be determined at the sole discretion of our Remuneration Committee and subject to approval by our Board. For this purpose, "**PBT**" refers to the consolidated profits before taxation of our Group based on the audited accounts for the relevant financial year, before deducting such Incentive Bonus and after deducting the profits before taxation attributable to non-controlling interests and excluding exceptional items or extraordinary items such as one-off gains or losses on disposals of real estate property and government grants which are not in the ordinary course of business, if any.

In the case of Mr. Lloyd Soong and Mr. Titus Cheong, the amount of Incentive Bonus shall be determined as follows:

- (a) where the PBT is equal to or greater than US\$2.0 million but less than US\$3.0 million, he is entitled to two percent (2.0%) of our Group's total PBT;
- (b) where the PBT is equal to or greater than US\$3.0 million but less than US\$8.0 million, he is entitled to three percent (3.0%) of our Group's total PBT; or
- (c) where the PBT is equal to or greater than US\$8.0 million, he is entitled to four percent (4.0%) of our Group's total PBT.

In the case of Ms. Claire Soong, Ms. Soong has been mainly responsible for our Group's marketing activities since November 2021, as well as the development of our Group's mobile application, *furlife*, which is still at an early stage of development following its official launch in January 2023. Accordingly, Ms. Soong's existing role and responsibilities have not had a significant, direct contribution to our Group's historical revenue and profitability to date. Having considered the foregoing, our Group is of the view that the basis for the amount of Ms. Soong's Incentive Bonus would be difficult to determine at this stage, and will instead be determined by our Remuneration Committee and subject to the approval of our Board.

The Incentive Bonus is subject to (a) annual review and adjustments (if any) to take into account the relevant Executive Director's or our Chief Financial Officer's individual contribution as assessed by our Remuneration Committee; (b) annual performance appraisal of the individual by our Remuneration Committee; and (c) any other reasonable indicator(s) on which our Remuneration Committee may base their appraisal on.

The Service Agreements also contain restrictive covenants and non-solicitation provisions that apply for the duration of the relevant Service Agreement and for the period of 12 months following termination, which prohibit, among others, the participation, whether directly or indirectly, in any competing business, and the solicitation of any person who at any time during the period of 12 months before the termination of the relevant Service Agreement was a customer, client, agent, correspondent, officer, manager or senior employee of our Group (as the case may be).

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

None of these Executive Directors and/or our Chief Financial Officer will be entitled to any benefits upon termination of their respective Service Agreements. The Service Agreements cover the terms of employment, specifically salaries and bonuses.

Directors' fees do not form part of the terms of the Service Agreements as these require the approval of Shareholders in our Company's annual general meeting.

Save as disclosed above, there are no existing or proposed service agreements between our Company, our subsidiaries and any of our Directors. There are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

PASTURE PERFORMANCE SHARE PLAN

Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in “Appendix I – Rules of the Pasture Performance Share Plan” to this Offer Document.

On 28 March 2023, our Shareholders adopted a share scheme known as the Pasture Performance Share Plan, which shall be effective upon the Listing, the rules of which are set out in “Appendix I – Rules of the Pasture Performance Share Plan” to this Offer Document.

The Pasture Performance Share Plan is a share incentive scheme. The Pasture Performance Share Plan has been adopted on the basis that it is important to reward, retain talent and motivate employees whose contributions are essential to the well-being and prosperity of our Group and to give recognition to outstanding Participants who have contributed to the growth of our Group. The Pasture Performance Share Plan will give Participants an opportunity to have a personal equity interest in our Company, strengthening our Company’s competitiveness in attracting and retaining superior local and foreign talent, and motivating them towards better performance.

As at the Latest Practicable Date, no Awards have been granted under the Pasture Performance Share Plan.

OBJECTIVES OF THE PASTURE PERFORMANCE SHARE PLAN

The objectives of the Pasture Performance Share Plan are as follows:

- (a) to motivate the participant to optimise his performance standards and efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees and executive directors of our Group whose contributions are essential to the long-term growth and profitability of our Group;
- (c) to instil loyalty to, and a stronger identification by the Participants with the long-term goals of, our Company;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (e) to align the interests of the Participants with the interests of our Shareholders.

PARTICIPANTS OF THE PASTURE PERFORMANCE SHARE PLAN

Full-time Group Employees and Directors (including Independent Directors) who have attained the age of 21 years and hold such rank as may be designated by our Remuneration Committee from time to time shall be eligible to participate in the Pasture Performance Share Plan, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors.

Controlling Shareholders of our Company or Associates of such Controlling Shareholders who meet the criteria above are also eligible to participate in the Pasture Performance Share Plan if their participation and Awards are approved by independent Shareholders in separate resolutions for each such person and for such Award.

PASTURE PERFORMANCE SHARE PLAN

The selection of a participant and the number of Shares which are the subject of each Award to be granted in accordance with the Pasture Performance Share Plan shall be determined in the absolute discretion of our Remuneration Committee, which shall take into account criteria as it considers fit, including (but not limited to) his rank, job performance and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period.

RATIONALE FOR PARTICIPATION OF GROUP EXECUTIVE DIRECTORS AND GROUP EMPLOYEES IN THE PASTURE PERFORMANCE SHARE PLAN

The extension of the Pasture Performance Share Plan to Group Employees allows us to have a fair and equitable system to reward our Group Executive Directors and Group Employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the grant of Awards to our Group Executive Directors and Group Employees will enable us to attract, retain and incentivise such persons to produce higher standards of performance, encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services and motivate Participants generally to contribute towards the long-term growth of our Group.

RATIONALE FOR PARTICIPATION OF NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE PASTURE PERFORMANCE SHARE PLAN

Although our Non-Executive Directors are not involved in the day-to-day running of our Group's operations, they play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by Non-Executive Directors in the Pasture Performance Share Plan will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. For instance, the Non-Executive Directors may bring strategic or other value to our Group which may be difficult to quantify in monetary terms. The grant of Awards to Non-Executive Directors will allow our Company to attract and retain experienced and qualified persons from different professional backgrounds to join our Company as Non-Executive Directors, and to motivate existing Non-Executive Directors to take extra efforts to promote the interests of our Company and/or our Group.

Our Directors are of the view that including our Non-Executive Directors in the Pasture Performance Share Plan will show our Company's appreciation for them and further motivate them in their contribution towards the success of our Group. However, as their services and contributions cannot be measured in the same way as the full-time employees of our Group, while it is desired that participation in the Pasture Performance Share Plan be made open to our Non-Executive Directors, any Awards that may be granted to any such Non-Executive Director would be intended only as a token of our Company's appreciation.

For the purpose of assessing the contributions of our Non-Executive Directors, our Remuneration Committee will propose a performance framework comprising mainly non-financial performance measurement criteria, such as the extent of involvement and responsibilities shouldered by our Non-Executive Directors. In addition, our Remuneration Committee will also consider the scope of advice given, the number of contacts and size of deals which our Group is able to procure from those contacts and recommendations made by our Non-Executive Directors. Our Remuneration

PASTURE PERFORMANCE SHARE PLAN

Committee may also decide that no Awards shall be made in any financial year or no grant and/or Award may be made at all. None of the Directors on our Remuneration Committee will be involved in assessing his or her own contributions and/or deciding the grant of his or her own Awards under the Pasture Performance Share Plan.

It is envisaged that the Vesting of Awards, and hence the number of Shares to be delivered to our Non-Executive Directors based on the criteria set out above will be relatively small, in terms of the frequency and numbers. Based on this, our Directors are of the view that the participation by our Non-Executive Directors in the Plan will not compromise the independent status of those who are Independent Directors.

RATIONALE FOR PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE PASTURE PERFORMANCE SHARE PLAN

An employee who is a Controlling Shareholder of our Company or an Associate of a Controlling Shareholder shall be eligible to participate in the Pasture Performance Share Plan if (a) his participation in the Pasture Performance Share Plan and (b) the actual or maximum number of Shares and terms of the Awards to be granted to him have been approved by independent Shareholders of our Company in separate resolutions for each such person. The relevant employee is required to abstain from voting on, and (in the case of employees who are Directors) refrain from making any recommendation on, the resolutions in relation to the Pasture Performance Share Plan.

One of the main objectives of the Pasture Performance Share Plan is to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group. The objectives of the Pasture Performance Share Plan apply equally to our employees who are Controlling Shareholders or their respective Associates. Our view is that all deserving and eligible Participants should be motivated, regardless of whether they are Controlling Shareholders or their respective Associates. It is our interest to incentivise outstanding employees who have contributed to the growth of our Group and continue to remain with us.

Although our Controlling Shareholders and their respective Associates have or may already have shareholding interests in our Company, the extension of the Pasture Performance Share Plan to allow Controlling Shareholders and their respective Associates the opportunity to participate in the Pasture Performance Share Plan will ensure that they are equally entitled, with our other Group Employees, to participate in and benefit from this system of remuneration. The Pasture Performance Share Plan is intended to be part of our Company's system of employee remuneration and our Company is of the view that employees who are Controlling Shareholders or their respective Associates should not be unduly discriminated against by virtue only of their shareholding in our Company.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual or maximum number of Shares and terms of such Awards. A separate resolution must be passed for each of such Participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholder and his Associates, the number of and terms of the Awards to be granted to our Controlling Shareholder and their Associates shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Pasture Performance Share Plan resulting from the participation of employees who are Controlling Shareholders or Associates of our Controlling Shareholders.

PASTURE PERFORMANCE SHARE PLAN

SUMMARY OF THE PASTURE PERFORMANCE SHARE PLAN

The following is a summary of the rules of the Pasture Performance Share Plan:

Administration

The Pasture Performance Share Plan shall be administered by our Remuneration Committee which will determine, among others, the persons who will be eligible to participate in the Pasture Performance Share Plan. A member of our Remuneration Committee who is also a Participant of the Pasture Performance Share Plan must not be involved in its deliberation or decision in respect of Awards (as the case may be) in respect of the Awards granted or to be granted to him.

Size of the Pasture Performance Share Plan

In order to reduce the dilutive impact of the Pasture Performance Share Plan, the aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Pasture Performance Share Plan on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury shares) delivered and/or to be delivered pursuant to Awards already granted under the Pasture Performance Share Plan; and
- (b) the aggregate number of Shares over which options or Awards are granted under any other share option schemes or share schemes of our Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury shares) on the day preceding that date.

Maximum Entitlements

The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Pasture Performance Share Plan to Participants who are Controlling Shareholders and/or Associates of Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the Pasture Performance Share Plan.

The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Pasture Performance Share Plan to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Pasture Performance Share Plan.

However, it does not necessarily mean that our Remuneration Committee will definitely issue the Award Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Award Shares to be granted to each Participant which will depend on the performance and value of the Participant to our Group.

PASTURE PERFORMANCE SHARE PLAN

Awards

Awards represent the right of a Participant to receive fully paid Shares free of charge, provided that certain prescribed Performance Conditions (if any) are met and upon the expiry of the prescribed Performance Period.

An Award shall be personal to the Participant and, prior to the allotment and/or transfer to the participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of our Remuneration Committee.

The number of Award Shares to be granted to a participant in accordance with the Pasture Performance Share Plan shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria as it considers fit, including (but not limited to) his rank, job performance, potential for future development and his contribution to the success and development of our Group and the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period.

Details of Awards

Our Remuneration Committee shall decide, among others, in relation to each Award (to be granted to a Participant):

- (a) the date on which the Award is to be granted;
- (b) the number of Award Shares;
- (c) the Performance Condition(s) and the Performance Period during which such Performance Condition(s) are to be satisfied, if any;
- (d) the extent to which the Award Shares shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of each Performance Period;
- (e) the Vesting Date; and
- (f) any other condition which our Remuneration Committee may determine in relation to that Award.

Timing of Awards

Awards may be granted at any time during the period when the Pasture Performance Share Plan is in force. An Award letter confirming the Award and specifying, amongst others, the number of Award Shares, the prescribed Performance Condition(s) and the Performance Period during which the prescribed Performance Condition(s) are to be satisfied, will be sent to each Participant as soon as is reasonably practicable after making an Award.

PASTURE PERFORMANCE SHARE PLAN

Vesting of Awards

Subject to the applicable laws, our Company will deliver Shares to Participants upon the Vesting of their Awards by way of either (a) an issue of new Shares; or (b) a transfer of Shares then held by our Company in treasury; or a combination of (a) and (b).

In determining whether to issue new Shares to Participants upon Vesting of their Awards, our Company will take into account factors such as, but not limited to, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares and delivering existing Shares.

The financial effects of the above methods are discussed below.

Termination of Awards

Special provisions in the rules of the Pasture Performance Share Plan dealing with the lapse or earlier Vesting of Awards apply in certain circumstances which include the termination of the Participant's employment, the bankruptcy of the Participant and the winding-up of our Company.

Rights of Shares Arising

New Shares allotted and issued and existing Shares procured by our Company for transfer on the Release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Duration of the Pasture Performance Share Plan

The Pasture Performance Share Plan shall continue in operation at the discretion of our Remuneration Committee for a maximum period of 10 years commencing on the date on which the Pasture Performance Share Plan is adopted by our Company in general meeting, provided that the Pasture Performance Share Plan may continue beyond the above stipulated period with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Pasture Performance Share Plan may be terminated at any time by our Remuneration Committee and by resolution of our Company in general meeting, subject to all relevant approvals which may be required being obtained. The termination of the Pasture Performance Share Plan shall not affect Awards which have been granted in accordance with the Pasture Performance Share Plan.

Abstention from Voting

Shareholders who are eligible to participate in the Pasture Performance Share Plan are to abstain from voting on any Shareholders' resolution relating to the Pasture Performance Share Plan, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

PASTURE PERFORMANCE SHARE PLAN

ADJUSTMENTS AND ALTERATIONS UNDER THE PASTURE PERFORMANCE SHARE PLAN

The following describes the adjustment events under, and provisions relating to alterations of, the Pasture Performance Share Plan.

Adjustment Events

If a variation in the issued and ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Award Shares to the extent not yet Vested;
- (b) the class and/or number of Shares over which future Awards may be granted under the Pasture Performance Share Plan; and/or
- (c) the maximum number of Shares which may be issued pursuant to Awards granted under the Pasture Performance Share Plan,

shall be adjusted in such manner as our Remuneration Committee may determine to be appropriate. However, any adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

Unless our Remuneration Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders of our Company (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Pasture Performance Share Plan; or (d) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by our Company, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by our Company's auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Modifications to the Pasture Performance Share Plan

The Pasture Performance Share Plan may be modified and/or altered from time to time by a resolution of our Remuneration Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely alter the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Participants who, if their Awards were Released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon the Release of all outstanding Awards upon the Performance Condition(s) for all outstanding Awards being satisfied in full under the Pasture Performance Share Plan.

PASTURE PERFORMANCE SHARE PLAN

No modification or alteration shall be made to the rules of the Pasture Performance Share Plan to the advantage of the Participants except with the prior approval of our Shareholders in general meeting.

DISCLOSURES IN ANNUAL REPORTS

Details of, among other things, the number of Shares comprised in Awards and the number of shares comprised in Awards which have Vested will be disclosed in our annual reports.

FINANCIAL EFFECTS OF THE PASTURE PERFORMANCE SHARE PLAN

The SFRS(I) requires the fair value of employee services received in exchange for the grant of company shares (share-based payment awards) to be recognised as an expense.

The grant date fair value of equity-settled share-based payment awards granted is recognised as an expense, with a corresponding increase in equity (share-based payment reserve), over the period that the participants unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

When new Shares are issued to participants, the share-based payment reserve is transferred to increase share capital. If existing Shares are purchased for the participants, as opposed to new Shares issued for delivery to participants, the increase in share capital is the net of share-based payment reserve less the cost of Shares purchased.

The NTA will be decreased by the cost of purchasing existing Shares delivered to participants. If new Shares are issued, there would be no effect on the NTA due to the offsetting effect of expenses recognised and increased share capital.

During the vesting period, the EPS would be reduced by both the expense recognised and the potential Shares to be issued under the Pasture Performance Share Plan. NTA per Share would be diluted as a result of the reduced NTA if existing Shares are purchased or the increased number of Shares if new Shares are issued.

CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to Shareholders of our Company. Accordingly, our Board has established three (3) committees: (a) the Audit Committee; (b) the Nominating Committee; and (c) the Remuneration Committee.

Our Directors are of the view that given the current Board composition, there are sufficient safeguards and checks to ensure that the process of decision-making by our Directors is independent and based on collective decision-making.

AUDIT COMMITTEE

Our Audit Committee comprises our Independent Directors, Mr. Michael Lim, Ms. Sharon Low and Ms. Claudia Teo. The Chairman of our Audit Committee is Mr. Michael Lim. Our Audit Committee is responsible for:

- (a) assisting our Board of Directors in discharging its statutory responsibilities on financing and accounting matters;
- (b) reviewing the assurance from our Chief Executive Officer and our Chief Financial Officer on the financial records and financial statements of our Company;
- (c) reviewing the half-yearly and annual financial statements prior to submission to our Board of Directors for approval;
- (d) reviewing significant financial reporting issues and judgements to ensure the integrity of the financial statements;
- (e) reviewing the relevance and consistency of our Group's accounting standards;
- (f) reviewing any formal announcements relating to our financial performance and ensuring that the outcome of the review of our Group's key financial risk areas are disclosed in our annual reports, and if the findings are material, to be announced via SGXNET in accordance with the Catalist Rules;
- (g) reviewing the adequacy and effectiveness of the external and internal audit and the independence of the internal audit function;
- (h) reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors;
- (i) reviewing the external auditor's audit plan and audit report, and the external auditor's evaluation of the system of internal accounting controls, including financial, operational, compliance and information technology controls, as well as reviewing our Group's implementation of any recommendations to address any control weaknesses highlighted by the external auditor;
- (j) reviewing our policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, and in particular, ensuring our Company publicly discloses and clearly communicates to our employees the existence of a whistle-blowing policy and procedures for raising such concerns;

CORPORATE GOVERNANCE

- (k) reviewing the risk profile of our Group and the appropriate steps to mitigate and manage risks at acceptable levels determined by our Board;
- (l) reviewing the key financial risk areas, the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by our Board of Directors, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;
- (m) reviewing the statements to be included in the annual report concerning the adequacy and effectiveness of our risk management and internal controls systems, including financial, operational, compliance controls, and information technology controls, and, where necessary and appropriate, providing a statement on our Board's comment on the adequacy and effectiveness of our Company's internal controls;
- (n) reviewing any interested person transactions and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with our Company's internal control system and the relevant provisions of the Catalist Rules, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place (for more information, please refer to the section entitled "Interested Person Transactions – Potential Conflicts of Interest" of this Offer Document);
- (o) reviewing and assessing from time to time the prevailing processes put in place to manage any material conflicts of interest within our Group (including the Deeds of Undertaking) and propose, where appropriate, the additional measures for the management of such conflicts;
- (p) reviewing the scope and results of the internal audit procedures, and at least annually, the adequacy and effectiveness of our internal controls, and also review the implementation by our Group of the internal control recommendations made by the internal auditors and following up on a review of the effective implementation of the proposed rectification measures identified;
- (q) reviewing transactions undertaken by our Group which fall within the scope of Chapter 10 of the Catalist Rules;
- (r) supervising the arrangements entered into by our Group with our contract manufacturers;
- (s) reviewing the scope and level of responsibility of our related employees and to resolve or mitigate conflicts of interests that may arise;
- (t) reviewing significant financial reporting issues and judgements to ensure integrity of our Group's financial statements;
- (u) ensuring the unfettered access by the internal audit function to our Group's documents, records, properties and personnel (including our Audit Committee);
- (v) reviewing and approving all hedging policies and instruments adopted by our Group and conducting periodic reviews;
- (w) reviewing changes in accounting policies and practices, major risk areas, significant adjustments arising from audits, and compliance with financial reporting standards, the Catalist Rules and any other statutory/regulatory requirements;

CORPORATE GOVERNANCE

- (x) approving the hiring, removal, evaluation and compensation of any accounting or auditing firm or corporation to which the internal audit function is outsourced;
- (y) meeting with our external auditors and internal auditors, in each case without the presence of our management, at least annually and reviewing the co-operation given by the management to the internal and external auditors, where applicable;
- (z) reviewing concerns and issues from our internal and external auditors including matters which they may wish to discuss in the absence of our management;
- (aa) reviewing the nature, extent and costs of non-audit services performed by the external auditor, to ensure their independence and objectivity;
- (bb) where necessary, commissioning an independent audit on internal controls and risk management systems for the assurance of our Audit Committee, or where it is not satisfied with our systems of internal controls and risk management;
- (cc) appraising and reporting to our Board of Directors on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;
- (dd) making recommendations to our Board of Directors on the proposals to Shareholders on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- (ee) undertaking such other reviews and projects as may be requested by our Board of Directors, and reporting to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (ff) monitoring the implementation of a policy and procedures for sustainability reporting; and
- (gg) undertaking generally such other functions and duties as may be required by law or the Catalist Rules, and by amendments made thereto from time to time.

Apart from the duties listed above, our Audit Committee will ensure that arrangements are in place for employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. Our Audit Committee will commission and review the findings of internal investigations into such matters or matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Group's operating results and financial position. Our Audit Committee will also ensure that the appropriate follow-up actions are taken. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Adequacy of Internal Controls

Prior to the Placement, and for the purposes of the Listing, our Company had engaged an internal auditor, HLS Risk Advisory Services Pte. Ltd. ("HLS"), to perform the review and test of controls of our Company's processes. Our Board has noted that our Company has implemented measures recommended by HLS in relation to our internal control policies and procedures relating to certain financial, operational, compliance and information technology controls reviewed by HLS.

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Our Board of Directors has also noted that no material internal accounting control weaknesses have been raised by our Independent Auditor and Reporting Accountant, RSM Chio Lim LLP, in the ordinary course of their audit of the consolidated financial statements of our Group for FY2020, FY2021 and FY2022.

Based on the foregoing, our Board, after making all reasonable enquiries and to the best of its knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the internal controls of our Group (including financial, operational, compliance and informational technology controls) and risk management systems are adequate and effective.

Following the Listing, our Audit Committee will continually review the adequacy and effectiveness of our internal control procedures and, if necessary, outsource our internal audit function to ensure the adequacy and sufficiency of internal control procedures within our Group.

Our Audit Committee will commission an annual internal audit until such time as our Audit Committee is satisfied that our internal controls are both adequate and effective to address the financial, operational and compliance risks of our Group. Prior to the decommissioning of such internal audit, our Group will report to the Issue Manager, Sponsor and Placement Agent on how any key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Appropriate disclosures will be made via SGXNET or in our annual report of any such decision. Thereafter, such audits may be re-initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective. Upon the completion of the internal controls audit, our Board shall make the appropriate disclosures via SGXNET of any weaknesses in our Group's internal controls which may be material or of a price-sensitive nature, as well as any follow-up actions to be taken by our Company.

Audit Committee's Opinion on the Suitability of our Chief Financial Officer

Our Audit Committee having conducted an interview with Mr. Titus Cheong and having considered:

- (a) the qualifications and past working experience of Mr. Titus Cheong (as described in the section entitled "Directors, Executive Officers and Employees – Executive Officers" of this Offer Document) which are compatible with his position as Chief Financial Officer;
- (b) his abilities, familiarity and diligence in relation to the financial matters and information of our Group;
- (c) his demonstration of the requisite competency in finance-related matters of our Group in connection with the preparation for the Listing; and
- (d) the absence of negative feedback from our Independent Auditor and Reporting Accountant, RSM Chio Lim LLP, and a representative of our Group's internal auditor, HLS, that Mr. Titus Cheong is not suitable for the position of Chief Financial Officer,

is of the opinion that Mr. Titus Cheong has the necessary expertise and experience to discharge his duties as our Chief Financial Officer.

After making all reasonable enquiries, and to the best of the knowledge and belief of our Audit Committee, nothing has come to the attention of the members of our Audit Committee to cause them to believe that Mr. Titus Cheong does not have the competence, character and integrity expected of a chief financial officer (or its equivalent rank) of a listed issuer.

CORPORATE GOVERNANCE

NOMINATING COMMITTEE

Our Nominating Committee comprises Ms. Claudia Teo, Mr. Lloyd Soong and Mr. Michael Lim. The Chairman of our Nominating Committee is Ms. Claudia Teo.

The Nominating Committee is responsible for:

- (a) making recommendations to our Board of Directors on relevant matters relating to (i) the review of board succession plans for directors, in particular, our Executive Chairman and our Chief Executive Officer; (ii) the reviewing of training and professional development programmes for our Board; and (iii) the appointment and re-appointment of our Directors (including alternate Directors, if applicable);
- (b) reviewing and determining annually, and as and when circumstances require, if a Director is independent, in accordance with the Code of Corporate Governance and any other salient factors;
- (c) reviewing the composition of our Board of Directors annually to ensure that our Board of Directors and our Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge of our Company, so as to avoid groupthink and foster constructive debate, and are of 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 our Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge;
- (d) setting the objectives for achieving board diversity and reviewing our Company's progress towards achieving these objectives;
- (e) undertaking a formal annual assessment of our Board's effectiveness as a whole and that of each of our Board committees and individual Directors and recommend for our Board's approval the objective performance criteria and process for the evaluation of the effectiveness of our Board as a whole, and of each of our Board committee separately, as well as the contribution of each individual Director to our Board;
- (f) ensuring that our Directors submit themselves for re-nomination and re-election at least once every three (3) years;
- (g) ensuring that our Directors disclose their relationships with our Company, related corporations, Substantial Shareholders or officers, if any, which may affect their independence and review such disclosures from our Directors and highlight them to our Board as required;
- (h) where a Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as Director, taking into consideration the Director's number of listed company board representation and other principal commitments and establish guidelines on what a reasonable and maximum number of such directorships and principal commitments for each director (or type of director) should be. Where any Director holds a significant number of listed company directorships and principal commitments which involve significant time commitment, providing a reasoned assessment

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of the ability of that Director to diligently discharge his/her duties, taking into consideration that Director's number of listed company board representation and other principal commitments;

- (i) reviewing and approving the employment of persons related to our Directors, Chief Executive Officer or Substantial Shareholders and the proposed terms of their employment;
- (j) reviewing the training and development programs for the Board and to ensure that new Directors are aware of their duties and obligations; and
- (k) undertaking generally such other functions and duties as may be required by law or the Catalist Rules, and by amendments made thereto from time to time.

In addition, our Nominating Committee will make recommendations to our Board of Directors on the development of a process for evaluation and performance of our Board, our Board committees and Directors. In this regard, our Nominating Committee will decide how our Board of Directors' performance is to be evaluated and propose objective performance criteria which address how our Board of Directors has enhanced long-term Shareholder value. Our Nominating Committee will also implement a process for assessing the effectiveness of our Board of Directors as a whole and our Board committees and for assessing the contribution of our Executive Chairman and Chief Executive Officer and each individual Director to the effectiveness of our Board of Directors. Our Executive Chairman and Chief Executive Officer will act on the results of the performance evaluation of our Board of Directors, and in consultation with our Nominating Committee, propose, where appropriate, new members to be appointed to our Board of Directors or seek the resignation of Directors.

Each member of our Nominating Committee is required to abstain from voting, approving or making a recommendation on any resolutions of the Nominating Committee in which he has a conflict of interest in the subject matter under consideration.

Nominating Committee's view of our Independent Directors

Our Nominating Committee, having taken into consideration the following:

- (a) the number of listed company directorships by each of our Independent Directors;
- (b) the principal commitments of our Independent Directors;
- (c) the confirmations by our Independent Directors stating that they are each able to devote sufficient time and attention to the matters of our Company;
- (d) that none of our Independent Directors is, or has been in any of the past three (3) financial years, employed by our Group;
- (e) that none of the immediate family members of our Independent Directors is, or has been in any of the past three (3) financial years, employed by our Group and whose remuneration is determined by our Remuneration Committee;
- (f) that none of our Independent Directors or any of their immediate family members has accepted any significant compensation from our Group for the provision of services, for the current or immediate past financial year, other than compensation for board service;

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- (g) the confirmations by our Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any Controlling Shareholder of our Company, has no relationship with our Company, its related corporations or with any directors of these corporations, its 10.0% Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgement with a view to the best interests of our Company;
- (h) our Independent Directors' working experience and expertise in different areas of specialisation;
- (i) disclosures in the section entitled "General Information – Information on Directors, Executive Officers and Controlling Shareholders" of this Offer Document, where applicable; and
- (j) the composition of our Board,

is of the view that (i) each of our Independent Directors is individually and collectively able to devote sufficient time to the discharge of their duties and are suitable and possess relevant experience as Independent Directors of our Company; and (ii) our Independent Directors, as a whole, represent a strong and independent element on our Board which is able to exercise objective judgement on corporate affairs independently from our Controlling Shareholders.

REMUNERATION COMMITTEE

Our Remuneration Committee comprises Ms. Sharon Low, Mr. Prashanth Palepu and Mr. Michael Lim. The Chairman of our Remuneration Committee is Ms. Sharon Low. Our Remuneration Committee is responsible for:

- (a) reviewing and recommending to our Board of Directors, in consultation with our Executive Chairman and Chief Executive Officer, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of our Directors and other persons having authority and responsibility for planning, directing and controlling the activities of our Company ("**Key Management Personnel**");
- (b) reviewing and recommending to our Board of Directors, for endorsement, the specific remuneration packages for each of our Directors and Key Management Personnel;
- (c) ensuring the remuneration policies and systems of our Group, as approved by our Board, support our Group's objectives and strategies and are consistently being administered and being adhered to within our Group;
- (d) reviewing and approving the design of all share option plans, performance share plans and/or other equity-based plans and benefits-in-kind;
- (e) ensuring that a significant and appropriate proportion of our Executive Directors' and Key Management Personnel's remuneration is structured so as to link rewards to corporate and individual performance, and that performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of our Group;

CORPORATE GOVERNANCE

- (f) ensuring that the level and structure of remuneration of our Board of Directors and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of our Group, taking into account our strategic objectives;
- (g) reviewing the terms of performance-related remuneration scheme or incentive schemes (if any) and determining the eligibility criteria of the employees who can participate in such scheme;
- (h) ensuring that the remuneration of our Non-Executive Directors is appropriate to their level of contribution, taking into account factors such as effort, time spent and responsibilities;
- (i) conducting an annual review of and approving the remuneration of employees of our Group who are relatives of any of our Directors, the Chief Executive Officer (if applicable) or Substantial Shareholders (including bonuses, increments, and/or promotions) and to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- (j) in the case of service contracts and employment contracts, reviewing our Company's obligations arising in the event of termination of our Executive Directors' or Key Management Personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance;
- (k) approving performance targets for assessing the performance of each of our Key Management Personnel and recommending such targets as well as employee specific remuneration packages for each of such Key Management Personnel, for endorsement by our Board of Directors;
- (l) ensuring that our Group's relationships with any remuneration consultants does not affect their independence and objectivity; and
- (m) undertaking generally such other functions and duties as may be required by law or the Catalist Rules, and by amendments made thereto from time to time.

Our Remuneration Committee also periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate our Directors to provide good stewardship of our Company and key executives to successfully manage our Company, and to align the level and structure of remuneration with the long-term interests and risk policies of our Company.

If a member of our Remuneration Committee has an interest in a matter being reviewed or considered by our Remuneration Committee, he will abstain from voting on the matter.

BOARD PRACTICES

Our Directors are to be appointed by our Shareholders at a general meeting and an election of Directors is held annually. One-third (or the number nearest to one-third) of our Directors are required to retire from office at least once every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in "Appendix F – Summary of our Constitution" to this Offer Document.

EXCHANGE CONTROLS

SINGAPORE

There are no exchange control restrictions in effect in Singapore.

CLEARANCE AND SETTLEMENT

For the purpose of trading on the Catalist of the SGX-ST, a board lot of our Shares comprise 100 Shares. Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of the Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended, modified or supplemented from time to time.

CDP, a wholly-owned subsidiary of the SGX-ST, was incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

Our Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by CDP, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the Share Registrar for each share certificate issued and stamp duty of S\$0.20 per S\$100.00 or part thereof of the last transacted price where it is withdrawn in the name of a third-party.

Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and (where necessary) stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fee may be subject to such changes as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 8.0% (or such other rate prevailing from time to time).

CLEARANCE AND SETTLEMENT

Dealing in our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal “ready” basis on Catalist generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a Depository Agent. The CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL INFORMATION

INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

1. Save as disclosed below, as at the date of this Offer Document, none of our Directors, Executive Officers or Controlling Shareholders has:
 - (a) at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time when he or she was a partner or at any time within two (2) years after the date he or she ceased to be a partner;
 - (b) at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or a key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity, or at any time within two (2) years after the date he or she 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;
 - (c) any unsatisfied judgment against him or her;
 - (d) 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 or she is aware) for such purpose;
 - (e) 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 or she is aware) for such breach;
 - (f) at any time during the last 10 years, judgment entered against him or her 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 or her part, or has been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;
 - (g) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) 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;
 - (i) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;

GENERAL INFORMATION

- (j) ever, to his or her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (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;
 - (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
 - (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 the period when he or she was so concerned with the entity or business trust; and
- (k) ever been the subject of any current or past investigation or disciplinary proceedings, or been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Disclosures relating to our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong, our Non-Executive Director, Mr. Prashanth Palepu and our Chief Pharmacist, Ms. Ho Huey-Yi

Warning Letter issued by the HSA

Pacific Biosciences was investigated by (the “**Investigation**”) and received a stern warning from the HSA on 27 December 2019 (the “**Warning Letter**”) for importing health products not in accordance with the conditions of its Therapeutic Products – Importer’s Licence, by importing for re-exporting therapeutic products to individual end-users for their personal consumption, in respect of 342 types of therapeutic products (the “**Breach**”).

During the relevant period of the Breach, the directors of Pacific Biosciences were Mr. Lloyd Soong and Mr. Prashanth Palepu. The “Responsible Person” named in the Therapeutic Products – Importer’s Licence of Pacific Biosciences was Ms. Ho Huey-Yi.

Pursuant to condition 3.3(c) of the Therapeutic Products – Importer’s Licence of Pacific Biosciences, unregistered therapeutic products imported for re-export shall only be supplied to the recipient for the purpose of his/her trade, business or profession, and shall not be supplied to individual end-users for personal consumption. In the past, pursuant to requests from our corporate customers, Pacific Biosciences had previously supplied unregistered therapeutic products to end-users for their personal consumption by packing and shipping such therapeutic products directly to the individual customers of our clients, thereby resulting in the Breach.

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While the HSA had made an assessment that an offence under Section 13(1) read with Section 13(6)(a) of the Health Products Act had been committed, a decision was taken not to prosecute Pacific Biosciences in court for the offence.

It is noted in the Warning Letter that the Warning Letter (a) does not amount to a conviction for an offence or a finding of guilt by a court of law; (b) does not mean that Pacific Biosciences has a criminal record of the offence stated in the Warning Letter; (c) will not be raised by the prosecution as a criminal record against Pacific Biosciences in any future court matters for purposes of enhancing a sentence; and (d) does not affect any of Pacific Biosciences' legal rights, interests or liabilities.

After receiving the Warning Letter from the HSA, Pacific Biosciences worked closely with the HSA to rectify the Breach, which included revising its operations such that therapeutic products would be supplied only to its corporate customers (instead of directly to its customers' end-users as previously requested by its corporate customers) through bulk shipments, and updating its corporate customers that they would need to make arrangements for delivery to their respective end-users moving forward. Following which, Pacific Biosciences ceased the import of such therapeutic products for re-export to individual end-users for their personal consumption since 25 June 2020. There was a slowdown in our Group's pharmaceutical wholesale and drop-shipment segment shortly after as our corporate customers adapted to the changes in the delivery arrangements. However, our Group did not experience a significant adverse impact to our pharmaceutical wholesale and drop-shipment segment as revenue from this segment increased from approximately US\$5.2 million in FY2020 to approximately US\$7.7 million and US\$9.3 million in FY2021 and FY2022, respectively.

Following the issuance of the Warning Letter, an audit was conducted by the HSA on Pacific Biosciences on 24 February 2022 (the "**February Audit**"). During the February Audit, the HSA also covered the review of Pacific Biosciences' revised operating procedures after implementing the rectification measures and did not raise any further comments on the measures taken. Following the completion of the February Audit, the HSA issued a close-out letter dated 14 June 2022, which indicated that Pacific Biosciences has operated with an acceptable level of compliance with the HSA's *Guidance Notes on Good Distribution Practice Standards*.

Pacific Biosciences has obtained the Therapeutic Products – Importer's Licence since 21 November 2016 following the revision of the Health Products Act and the implementation of the Health Products (Therapeutic Products) Regulations 2016. For the purpose of assessing the renewal of the licence, the HSA conducts periodic audits and inspections at least once every two (2) years in respect of Pacific Biosciences. Such audits and inspections include, amongst others, the review of Pacific Biosciences' operating procedures, inspection of supporting documents and conducting sample audits in relation to the operations of Pacific Biosciences, the latest of which was the February Audit. There were no material adverse findings arising from such periodic audits and inspections and our Group was not informed by the HSA of any breach of any terms and/or conditions of its Therapeutic Products – Importer's Licence prior to the Investigation. Further, given that the HSA had conducted and completed the February Audit on Pacific Biosciences following the Breach and did not raise any additional concerns, based on the information available as at the Latest Practicable Date, we do not expect to face any issues with the renewal of our licences with the HSA.

GENERAL INFORMATION

The Warning Letter was addressed to Pacific Biosciences and no employees and/or Directors of our Group were mentioned in the Warning Letter. Our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong, was involved in liaising with and provided full cooperation to the HSA in relation to the investigations on the Breach. No penalty was imposed by the HSA on Pacific Biosciences and/or any of its directors, officers or employees in respect of the Breach and the operations of Pacific Biosciences and/or our Group was not suspended by HSA. Further, the term and/or validity of the licences held by our Group was not affected. No specific or additional conditions were imposed on our Group by the HSA following the Warning Letter.

Having considered, *inter alia*, that the Warning Letter did not amount to a conviction for an offence or a finding of guilt by a court or law, and that measures have been taken by Pacific Biosciences to rectify the Breach, our Board and our Nominating Committee are of the view that Mr. Lloyd Soong, Mr. Prashanth Palepu and Ms. Ho Huey-Yi each have the character and integrity expected of a director or management of a listed issuer (as the case may be), pursuant to Catalyst Rule 406(3)(b).

Disclosures relating to our Controlling Shareholder, Mr. Srinivasa Gopal Palepu

Tax Dispute for Assessment Year 2010 to 2011

In 2017, the Deputy Commissioner of Income Tax, Central Circle 3(1), Chennai (“**DCIT**”) assessed that an additional amount of approximately 43.8 million rupees (equivalent to approximately S\$0.7 million) (the “**Disputed Tax Amount**”) was payable by Mr. Srinivasa Gopal Palepu (“**Mr. Gopal**”) as income tax for the year of assessment 2010 to 2011 (“**AY10-11**”). The Disputed Tax Amount for AY10-11 arose as the return of income filed by Mr. Gopal, who was a director of Pleasant Foods Pvt. Ltd. (“**Pleasant Foods**”), was selected for scrutiny under U.s.143(3) of the Income-tax Act 1961 of India, wherein the Assessing Officer (“**AO**”) had made an additional tax assessment of approximately 2.7 million rupees. Subsequently, the AO further opined that due to an unsecured loan from Mr. Gopal to Pleasant Foods and adjustments made towards the sale of equity shares of Apollo Hospital Ltd. (“**AHL**”) and Apollo Sindhoori Capital Investment Ltd. (“**ASCIL**”) from Pleasant Foods to Mr. Gopal, the Disputed Tax Amount that stood in Mr. Gopal’s name as debtor in the balance sheet of Pleasant Foods should be treated as a deemed dividend and therefore taxable as such.

Mr. Gopal filed an appeal with the Commissioner of Income Tax (Appeals)-3 against the AO’s additional assessment, where he submitted that the Disputed Tax Amount should not be a deemed dividend because, *inter alia*, (a) the Disputed Tax Amount payable by Mr. Gopal to Pleasant Foods on account of the purchase of shares in AHL and ASCIL arose out of a commercial transaction and should not be considered a loan advanced by Pleasant Foods to Mr. Gopal; and (b) the shares were originally acquired by Pleasant Foods out of the loan received by Pleasant Foods from Mr. Gopal and thus the Disputed Tax Amount is not a distribution of accumulated profit of Pleasant Foods. On 31 January 2017, the Commissioner of Income Tax (Appeals)-3 ordered that the addition of the Disputed Tax Amount by the AO should be deleted. Thereafter, pursuant to the DCIT’s appeal to the Income Tax Appellate Tribunal of Chennai (the “**ITAT**”), an order was pronounced by the ITAT on 6 October 2017 dismissing the DCIT’s appeal and upholding the order of the Commissioner of Income Tax (Appeals)-3.

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In 2018, the Principal Commissioner of Income Tax filed three appeal cases (the “**Appeal Cases**”) in relation to the Disputed Tax Amount at the Madras High Court (Madras Bench), prior to the time-bar limitation of eight (8) years from AY10-11, to extend the review period of this case. To date, no further action has been taken by the Commissioner of Income Tax in relation to the Appeal Cases and the Appeal Cases remain open with the Madras High Court (Madras Bench). Accordingly, no further legal action has been taken by or against Mr. Gopal since the filing of the Appeal Cases in 2018 to date.

The aforementioned tax dispute and the Appeal Cases relates only to Mr. Gopal and does not have any material adverse implication on any entities within our Group.

Disclosures relating to our Non-Executive and Lead Independent Director, Mr. Michael Lim

Compulsory Winding-up of Hitech Mining Asia Pte. Ltd.

Mr. Michael Lim was appointed as an alternate director of Hitech Mining Asia Pte. Ltd. (“HMA”) between 23 January 2019 to 14 January 2022. On 11 January 2022, a compulsory winding-up application was made against HMA by a creditor of HMA on the basis that HMA was unable to pay its debts. Following the winding-up application, a compulsory winding-up order was granted by the High Court of Singapore against HMA on 4 February 2022.

Having considered, *inter alia*, that Mr. Michael Lim was not the subject of the winding-up proceedings and that Mr. Michael Lim did not hold any executive role in HMA and was not involved in the day-to-day operations of HMA, our Board and our Nominating Committee are of the view that Mr. Michael Lim has the character and integrity expected of a director of a listed issuer, pursuant to Catalist Rule 406(3)(b).

2. There is no shareholding qualification for Directors under our Constitution.
3. No option to subscribe for shares in, or debentures of, our Company or any of our subsidiaries has been granted to, or was exercised by, any Director or Executive Officer within the last two (2) years preceding the date of this Offer Document.
4. Save as disclosed in the section entitled “Interested Person Transactions” of this Offer Document, no Director is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to us or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to us or any of our subsidiaries.
5. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.

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SHARE CAPITAL

6. As at the Latest Practicable Date, there is only one (1) class of shares in the capital of our Company, being ordinary shares in the share capital of our Company. There are no founder, management or deferred shares. Our existing Shares do not carry voting rights which are different from the Placement Shares. The rights and privileges attached to our Shares are stated in our Constitution.
7. Save as disclosed in the section entitled “Share Capital” of this Offer Document, there are no changes in the share capital or the number and classes of shares of our Company or our subsidiaries within the three (3) years preceding the Latest Practicable Date.
8. Save as disclosed in the section entitled “Share Capital” of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, during the last three (3) years preceding the date of this Offer Document.
9. Save as disclosed under the sections entitled “Shareholders”, “Share Capital”, and “Pasture Performance Share Plan” of this Offer Document, as at the Latest Practicable Date, our Company does not have any arrangement that involves the issue or grant of Shares to our Directors or employees of our Group and no person has been, or is entitled to be, given an option to subscribe for any securities or securities-based derivatives in or debentures of our Company or any of our subsidiaries.

CONSTITUTION

10. A summary of our Constitution relating to, amongst others, Directors’ powers to vote on contracts in which they are interested, Directors’ remuneration, Directors’ borrowing powers, Directors’ retirement, Directors’ share qualification, rights pertaining to shares, convening of general meetings and alteration of capital are set out in “Appendix F – Summary of our Constitution” to this Offer Document. Our Constitution is available for inspection at our registered office in accordance with paragraph 29 in the section entitled “General Information – Documents Available for Inspection” of this Offer Document.

MATERIAL CONTRACTS

11. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by us within the two (2) years preceding the date of lodgement of this Offer Document and are or may be material:
 - (a) the Service Agreements, details of which are set out in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document; and
 - (b) the option to purchase the TradeHub Property granted by Pasture Pharma on 9 January 2023 and exercised by Lucky Khoon Bathroom Studio Pte. Ltd. on 10 January 2023, in connection with the Property Disposal which was completed on 31 March 2023.

LITIGATION

12. Our Group was not engaged in any legal or arbitration proceedings in the last 12 months before the date of the lodgement of this Offer Document, as plaintiff or defendant in respect of any claims or amounts which are material in the context of the Placement and our

GENERAL INFORMATION

Directors have no knowledge of any proceedings pending or threatened against our Company or any member of our Group or any facts likely to give rise to any litigation, claims or proceedings which might materially affect the financial position or profitability of our Group.

MISCELLANEOUS

13. There has not been any public take-over offer by a third-party in respect of our Shares, or by our Company in respect of shares of another corporation or units of a business trust, which has occurred between the date of incorporation and the Latest Practicable Date.
14. Save as disclosed in the sections entitled “Plan of Distribution – Management, Sponsorship and Placement Arrangements” and “Shareholders – Significant Changes in Percentage of Ownership” of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing for and/or purchasing or agreeing to subscribe for and/or purchase or procuring or agreeing to procure subscription for and/or purchase of any shares in or debentures of our Company or any of our subsidiaries.
15. No amount of cash or securities or benefit has been paid or given to any promoter within the two (2) years preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.
16. No expert is employed on a contingent basis by our Company or any of our subsidiaries, has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.
17. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
18. Save as disclosed in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “General Information on our Group – Prospects and Trends” of this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

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19. Save as disclosed in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “General Information on our Group – Prospects and Trends” of this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:
- (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that may materially affect the amount of reported income from operations; and
 - (d) known trends or uncertainties that have had or that we reasonably expect to have a material favourable or unfavourable impact on revenues or operating income.
20. Save as disclosed in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “General Information on our Group – Prospects and Trends” of this Offer Document and as set out in “Appendix A – Independent Auditor’s Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022”, “Appendix B – Independent Auditor’s Review Report and the Interim Unaudited Consolidated Financial Statements for the Three-Month Period Ended 30 September 2022” and “Appendix C – Independent Auditor’s Assurance Report and the Compilation of the Unaudited *Pro Forma* Consolidated Financial Information for the Financial Year Ended 30 June 2022 and Three-Month Period Ended 30 September 2022” to this Offer Document, our Directors are not aware of any event which has occurred between the end of 1Q2023 and the Latest Practicable Date, which may have a material effect on the financial position and results of operations of our Group or the financial information provided in this Offer Document.
21. Details, including the name, address, and professional qualifications including membership in a professional body of the auditors of our Company for the Period Under Review are as follows:

| Name and address | Professional body | Partner-in-charge/ Professional qualification |
|--|---|--|
| RSM Chio Lim LLP 8 Wilkie Edge #03-08 Wilkie Edge Singapore 228095 | Institute of Singapore Chartered Accountants | Lee Mong Sheong (a practicing member of the Institute of Singapore Chartered Accountants) |

CONSENTS

22. RSM Chio Lim LLP, the Independent Auditor and Reporting Accountant, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, the “Independent Auditor’s Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022” as set out in Appendix A to this Offer Document, the “Independent Auditor’s Review Report and the Interim Unaudited Consolidated Financial Statements for the Three-Month

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Period Ended 30 September 2022” as set out in Appendix B to this Offer Document, the “Independent Auditor’s Assurance Report and the Compilation of the Unaudited *Pro Forma* Consolidated Financial Information for the Financial Year Ended 30 June 2022 and Three-Month Period Ended 30 September 2022” as set out in Appendix C to this Offer Document and the statements attributed to it in the sections entitled “Corporate Governance – Audit Committee – Adequacy of Internal Controls” and “Corporate Governance – Audit Committee – Audit Committee’s Opinion on the Suitability of our Chief Financial Officer” of this Offer Document which were prepared for the purpose of incorporation in this Offer Document, in the form and context in which they are respectively included and appear in this Offer Document, and to act in such capacity in relation to this Offer Document.

23. PrimePartners Corporate Finance Pte. Ltd., the Issue Manager, Sponsor and Placement Agent, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto and the statement attributed to it in the section entitled “Working Capital” of this Offer Document which was prepared for the purpose of incorporation in this Offer Document, in the form and context in which they are respectively included and appear in this Offer Document, and to act in such capacity in relation to this Offer Document.
24. Each of Rajah & Tann Singapore LLP, the Solicitors to the Placement and Legal Advisers to our Company as to Singapore Law, Dentons Rodyk & Davidson LLP, the Legal Advisers to the Issue Manager, Sponsor and Placement Agent as to Singapore Law, Tricor Barbinder Share Registration Services, the Share Registrar and Share Transfer Office and The Bank of East Asia Limited, Singapore Branch, the Receiving Bank, have given and have not withdrawn their written consents to the issue of this Offer Document with the inclusion herein of their names and all references thereto in the form and context in which they are respectively included and appear in this Offer Document and to act in such respective capacities in relation to this Offer Document.
25. Each of the Solicitors to the Placement and Legal Advisers to our Company as to Singapore Law, the Legal Advisers to the Issue Manager, Sponsor and Placement Agent as to Singapore Law, the Share Registrar, the Receiving Bank and the Principal Bankers do not make, or purport to make, any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in, or omissions from, this Offer Document.
26. Xandar Capital Pte. Ltd., the Independent Financial Adviser, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, the “Letter from the Independent Financial Adviser” as set out in Appendix D to this Offer Document and the statement attributed to it in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Opinion of the Independent Financial Adviser” of this Offer Document which was prepared for the purpose of incorporation in this Offer Document, in the form and context in which they are respectively included and appear in this Offer Document, and to act in such capacity in relation to this Offer Document.

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27. HLS Risk Advisory Services Pte. Ltd., the internal auditor of our Company, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto and the statements attributed to it in the sections entitled “Corporate Governance – Audit Committee – Adequacy of Internal Controls” and “Corporate Governance – Audit Committee – Audit Committee’s Opinion on the Suitability of our Chief Financial Officer” of this Offer Document which were prepared for the purpose of incorporation in this Offer Document, in the form and context in which they are respectively included and appear in this Offer Document, and to act in such capacity in relation to this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

28. This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

DOCUMENTS AVAILABLE FOR INSPECTION

29. The following documents or copies thereof may be inspected at our registered office at 24 Boon Lay Way, #01-73 TradeHub 21, Singapore 609969, during normal business hours for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority:
- (a) our Constitution;
 - (b) the “Independent Auditor’s Report on the Audited Consolidated Financial Statements for the Financial Years Ended 30 June 2020, 2021 and 2022” as set out in Appendix A to this Offer Document;
 - (c) the “Independent Auditor’s Review Report and the Interim Unaudited Consolidated Financial Statements for the Three-Month Period Ended 30 September 2022” as set out in Appendix B to this Offer Document;
 - (d) the “Independent Auditor’s Assurance Report and the Compilation of the Unaudited *Pro Forma* Consolidated Financial Information for the Financial Year Ended 30 June 2022 and Three-Month Period Ended 30 September 2022” as set out in Appendix C to this Offer Document;
 - (e) the respective audited financial statements of our Company and each of our subsidiaries (including all notes, reports or information relating thereto which are required to be prepared under the Companies Act, where applicable) for FY2020, FY2021 and FY2022;
 - (f) the “Letter from the Independent Financial Adviser” as set out in Appendix D to this Offer Document;

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- (g) the material contracts referred to in the section entitled “General Information – Material Contracts” of this Offer Document;
- (h) the Service Agreements referred to in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document;
- (i) the letters of consent referred to in the section entitled “General Information – Consents” of this Offer Document; and
- (j) the rules of the Pasture Performance Share Plan referred to in the section entitled “Pasture Performance Share Plan” of this Offer Document and “Appendix I – Rules of the Pasture Performance Share Plan” to this Offer Document.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 JUNE 2020, 2021 AND 2022**

PASTURE HOLDINGS LTD. AND ITS SUBSIDIARIES

Statement by directors and consolidated financial statements

Financial years ended 30 June 2020, 2021 and 2022

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 JUNE 2020, 2021 AND 2022**

Statement by directors

The directors of Pasture Holdings Ltd. (the “Company”) are pleased to present the consolidated financial statements of the Company and its subsidiaries (the “Group”) for the financial years ended 30 June 2020, 2021 and 2022.

In the opinion of the directors,

- (a) the accompanying consolidated financial statements are drawn up so as to present fairly, in all material respects, the financial position of the Group as at 30 June 2020, 2021 and 2022 and the financial performance, changes in equity and cash flows of the Group for the financial years ended 30 June 2020, 2021 and 2022; and
- (b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Soong Chin Kum Jonathan Lloyd
Director

Prashanth Palepu
Director

31 May 2023

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

The Board of Directors
Pasture Holdings Ltd.
24 Boon Lay Way
#01-73 Tradehub 21
Singapore 609969

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Pasture Holdings Ltd. (the “Company”) and its subsidiaries (the “Group”) set out on pages A-1 to A-51, which comprise the consolidated statements of financial position of the Group as at 30 June 2020, 2021 and 2022, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the financial years ended 30 June 2020, 2021 and 2022, and notes to the consolidated financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the financial position of the Group as at 30 June 2020, 2021 and 2022 and the financial performance, changes in equity and cash flows of the Group for each of the financial years ended 30 June 2020, 2021 and 2022.

Basis for opinion

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

Responsibilities of management and directors for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with SFRS(I)s, 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 consolidated financial statements and to maintain accountability of assets.

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

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

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

Auditor’s responsibilities for the audit of the consolidated financial statements

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

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

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 JUNE 2020, 2021 AND 2022**

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

Restriction on distribution and use

This report is made solely for the inclusion in the Offer Document of the Company to be issued in relation to the proposed offering of the shares of Pasture Holdings Ltd. on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited and not for other purposes.

The engagement partner on the audit resulting in this independent auditor’s report is Lee Mong Sheong.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

31 May 2023

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 JUNE 2020, 2021 AND 2022**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
Years Ended 30 June 2020, 2021 and 2022**

| | Notes | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|-------|------------------|------------------|------------------|
| Revenue | 5 | 16,622 | 13,170 | 15,131 |
| Cost of sales | | (13,277) | (9,713) | (10,691) |
| Gross profit | | 3,345 | 3,457 | 4,440 |
| Other income and gains | 6 | 573 | 174 | 140 |
| Marketing and distribution costs | | (147) | (38) | (53) |
| Administrative expenses | 7 | (1,258) | (1,451) | (1,618) |
| Finance costs | 9 | (24) | (29) | (15) |
| Other losses | 6 | (57) | (256) | (34) |
| Profit before tax | | 2,432 | 1,857 | 2,860 |
| Income tax expense | 10 | (374) | (301) | (410) |
| Profit, net of tax and total comprehensive income | | 2,058 | 1,556 | 2,450 |
| | | US cents | US cents | US cents |
| Basic and diluted earnings per share | 11 | 1.84 | 1.39 | 2.19 |

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 JUNE 2020, 2021 AND 2022**

**Consolidated Statements of Financial Position
As at 30 June 2020, 2021 and 2022**

| | Notes | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---------------------------------------|-------|------------------|------------------|------------------|
| ASSETS | | | | |
| <u>Non-current assets</u> | | | | |
| Property, plant and equipment | 13 | 1,398 | 1,335 | 1,673 |
| Right-of-use assets | 14 | 5 | – | 54 |
| Investment property | 15 | – | – | – |
| Total non-current assets | | 1,403 | 1,335 | 1,727 |
| <u>Current assets</u> | | | | |
| Inventories | 16 | 1,269 | 1,662 | 1,206 |
| Trade receivables | 17 | 6,788 | 497 | 444 |
| Other non-financial assets | 18 | 368 | 376 | 519 |
| Cash and cash equivalents | 19 | 2,504 | 3,210 | 3,676 |
| Total current assets | | 10,929 | 5,745 | 5,845 |
| Total assets | | 12,332 | 7,080 | 7,572 |
| EQUITY AND LIABILITIES | | | | |
| <u>Equity</u> | | | | |
| Share capital | 20 | 200 | 200 | 200 |
| Retained earnings | | 2,299 | 1,105 | 1,455 |
| Total equity | | 2,499 | 1,305 | 1,655 |
| <u>Non-current liabilities</u> | | | | |
| Loans and borrowings, non-current | 21 | 796 | 728 | 686 |
| Lease liabilities, non-current | 24 | – | 20 | 150 |
| Total non-current liabilities | | 796 | 748 | 836 |
| <u>Current liabilities</u> | | | | |
| Income tax payable | | 492 | 307 | 416 |
| Lease liabilities, current | 24 | 4 | 62 | 111 |
| Loans and borrowings, current | 21 | 75 | 66 | 65 |
| Other non-financial liabilities | 22 | 894 | 1,419 | 1,804 |
| Trade and other payables | 23 | 7,572 | 3,173 | 2,685 |
| Total current liabilities | | 9,037 | 5,027 | 5,081 |
| Total liabilities | | 9,833 | 5,775 | 5,917 |
| Total equity and liabilities | | 12,332 | 7,080 | 7,572 |

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 JUNE 2020, 2021 AND 2022**

**Consolidated Statements of Changes in Equity
Year Ended 30 June 2020, 2021 and 2022**

| | Total equity US\$'000 | Share capital US\$'000 | Retained earnings US\$'000 |
|---|-----------------------------|------------------------------|----------------------------------|
| 2020: | | | |
| Opening balance at 1 July 2019 | 1,492 | 1 | 1,491 |
| Changes in equity: | | | |
| Dividends payable (Note 12) | (1,250) | – | (1,250) |
| Issue of share capital (Note 20) | 199 | 199 | – |
| Total comprehensive income for the year | 2,058 | – | 2,058 |
| Closing balance at 30 June 2020 | 2,499 | 200 | 2,299 |
| 2021: | | | |
| Opening balance at 1 July 2020 | 2,499 | 200 | 2,299 |
| Changes in equity: | | | |
| Dividends payable (Note 12) | (2,750) | – | (2,750) |
| Total comprehensive income for the year | 1,556 | – | 1,556 |
| Closing balance at 30 June 2021 | 1,305 | 200 | 1,105 |
| 2022: | | | |
| Opening balance at 1 July 2021 | 1,305 | 200 | 1,105 |
| Changes in equity: | | | |
| Dividends payable (Note 12) | (2,100) | – | (2,100) |
| Total comprehensive income for the year | 2,450 | – | 2,450 |
| Closing balance at 30 June 2022 | 1,655 | 200 | 1,455 |

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 JUNE 2020, 2021 AND 2022**

**Consolidated Statements of Cash Flows
Year Ended 30 June 2020, 2021 and 2022**

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|------------------|------------------|------------------|
| <u>Cash flows from operating activities</u> | | | |
| Profit before tax | 2,432 | 1,857 | 2,860 |
| Adjustments for: | | | |
| Interest income | (6) | (1) | – |
| Interest expense | 24 | 29 | 15 |
| Gain from disposal of investment property | (447) | – | – |
| Gain from disposal of property, plant and equipment | – | – | (35) |
| Impairment of property, plant and equipment | – | 36 | – |
| Impairment of right-of-use assets | – | 81 | – |
| Depreciation of property, plant and equipment | 67 | 75 | 86 |
| Depreciation of right-of-use assets | 8 | 45 | 2 |
| Operating cash flows before changes in working capital | 2,078 | 2,122 | 2,928 |
| Inventories | (902) | (393) | 456 |
| Trade and other receivables | (6,354) | 6,291 | 53 |
| Other non-financial assets | (173) | (8) | (143) |
| Trade and other payables | 7,011 | (5,899) | (1,088) |
| Other non-financial liabilities | 513 | 525 | 385 |
| Net cash flows from operations | 2,173 | 2,638 | 2,591 |
| Income taxes paid | (18) | (486) | (300) |
| Net cash flows from operating activities | 2,155 | 2,152 | 2,291 |
| <u>Cash flows from investing activities</u> | | | |
| Purchase of property, plant and equipment (Note 19) | (36) | (48) | (218) |
| Interest received | 6 | 1 | – |
| Proceeds from disposal of property, plant and equipment | – | – | 35 |
| Proceeds from sale of investment property | 657 | – | – |
| Net cash flows from/(used in) investing activities | 627 | (47) | (183) |
| <u>Cash flows from financing activities</u> | | | |
| Dividends paid to equity owners | (1,250) | (1,250) | (1,500) |
| Repayment of loans and borrowings | (110) | (77) | (43) |
| Net movements in amounts due to directors | (150) | – | – |
| Interest paid | (24) | (24) | (11) |
| Lease payments | (8) | (48) | (88) |
| Issue of shares (Note 20) | 63 | – | – |
| Net cash flows used in financing activities | (1,479) | (1,399) | (1,642) |
| Net increase in cash and cash equivalents | 1,303 | 706 | 466 |
| Cash and cash equivalents, statement of cash flows, beginning balance | 1,201 | 2,504 | 3,210 |
| Cash and cash equivalents, statement of cash flows, ending balance (Note 19) | 2,504 | 3,210 | 3,676 |

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

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

Notes to the consolidated financial statements For the financial years ended 30 June 2020, 2021 and 2022

1. General information

1.1 Corporate information

Pasture Holdings Pte. Ltd. (the “Company”) was incorporated on 3 November 2017 under the Companies 1967 as a private limited company. It is domiciled in Singapore. On 28 March 2023, the Company was converted to a public company and changed its name to Pasture Holdings Ltd..

The consolidated financial statements are expressed in United States dollar (“USD”), and all values are rounded to nearest thousand (US\$’000), except when otherwise stated.

These consolidated financial statements are prepared solely for inclusion in the Offer Document of the Company in connection with the proposed listing of the Company’s shares on the Catalist of Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 24 Boon Lay Way, #01-73 Tradehub 21, Singapore 609969.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed below.

| Name of subsidiaries, country of incorporation, place of operations and principal activities | Effective percentage of equity held by Group | | |
|--|---|-----------|-----------|
| | 2020 % | 2021 % | 2022 % |
| <u>Subsidiaries</u> | | | |
| Pasture Pharma Pte Ltd ^(a) | | | |
| Singapore | | | |
| Wholesale of medicinal and pharmaceutical products (western) and wholesale of medical, professional, scientific and precision equipment | 100 | 100 | 100 |
| Pacific Biosciences Pte Ltd ^(a) | | | |
| Singapore | | | |
| Wholesale of medicinal and pharmaceutical products (western) and veterinary activities | 100 | 100 | 100 |
| Pacific Pharmacy Pte Ltd ^(b) | | | |
| Singapore | | | |
| Pharmacies and drug stores (western) | 100 | 100 | – |
| Pasture Pharmahub Pte Ltd ^(a) | | | |
| Singapore | | | |
| Wholesale of medicinal and pharmaceutical products (western) and wholesale of medical, professional, scientific and precision equipment | 100 | 100 | 100 |

(a) Audited by RSM Chio Lim LLP.

(b) De-registered on 13 June 2022.

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

1. General information (Continued)

1.2 Uncertainties relating to the COVID-19 pandemic

Management has not identified any material uncertainties resulting from the COVID-19 pandemic and the aftermath of the pandemic surrounding the reporting entity’s business, and accordingly no further disclosures are made in these financial statements.

1.3 Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS(I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

1.4 Accounting convention

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

1.5 Basis of preparation of the consolidated financial statements

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

1.6 Basis of preparation

The consolidated financial statements include the financial statements made up to the end of the financial year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

1. General information (Continued)

1.6 Basis of preparation (Continued)

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

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third-parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

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

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

Other income

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest income is recognised using the effective interest method.

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

2. Significant accounting policies and other explanatory information (Continued)

2A. Significant accounting policies (Continued)

Government grants

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

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity’s legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

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

Foreign currency transactions

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

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

2. Significant accounting policies and other explanatory information (Continued)

2A. Significant accounting policies (Continued)

Translation of financial statements of other entities

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

Income tax

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

Property, plant and equipment

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

| | |
|---------------------|-----------------------------------|
| Leasehold property | – Over the lease term of 60 years |
| Plant and equipment | – 3 to 10 years |

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

2. Significant accounting policies and other explanatory information (Continued)

2A. Significant accounting policies (Continued)

Property, plant and equipment (Continued)

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the financial year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

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

Investment property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes, the fair values are measured periodically on a systematic basis by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

Right-of-use assets

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

Leases of leasee

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

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

2. Significant accounting policies and other explanatory information (Continued)

2A. Significant accounting policies (Continued)

Leases of lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user’s benefit, even if the payments are not on that basis. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease.

Subsidiaries

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

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Carrying amounts of non-financial assets

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

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

2. Significant accounting policies and other explanatory information (Continued)

2A. Significant accounting policies (Continued)

Carrying amounts of non-financial assets

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

Financial instruments

Recognition and derecognition of financial instruments:

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

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

APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2021 AND 2022

2. Significant accounting policies and other explanatory information (Continued)

2A. Significant accounting policies (Continued)

Financial instruments (Continued)

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (“FVTPL”), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (“FVTOCI”): There were no financial assets classified in this category at financial year end date.
3. Financial asset that is an equity investment measured at FVTOCI: There were no financial assets classified in this category at financial year end date.
4. Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at financial year end date.

Classification and measurement of financial liabilities:

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

Cash and cash equivalents

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

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable

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2. Significant accounting policies and other explanatory information (Continued)

2A. Significant accounting policies (Continued)

Fair value measurement (Continued)

inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer’s specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity’s intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

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

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the financial year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Segment reporting

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

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of

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2. Significant accounting policies and other explanatory information (Continued)

2B. Other explanatory information (Continued)

Provisions (Continued)

the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the financial year they occur.

2C. Critical judgements, assumptions and estimation uncertainties

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

Income tax amounts:

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset’s carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the Note on income tax.

Allowance for impairment on inventories:

The allowance for impairment of inventories assessment requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the financial year is disclosed in the Note on inventories.

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2. Significant accounting policies and other explanatory information (Continued)

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

Expected credit loss allowance on trade receivables:

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

Revenue recognition – agent versus principal considerations:

Judgement is required in assessing whether the entity acts as an agent or as a principal in its major contractual arrangements. As a result of this assessment, management concluded that for certain contracts, it is appropriate to adopt agency accounting. For such transactions, management has concluded that the entity does not control the goods or service being provided to the customer.

Determination of functional currency:

Judgement is required to determine the functional currency of the reporting entity. Management considers economic environment in which the reporting entity operates and factors such as the currency that mainly influences sales prices for goods and services; the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services; and the currency that mainly influences labour, material and other costs of providing goods or services. It also considers other relevant factors that may also provide evidence of an entity’s functional currency.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties.

A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Soong Chin Kum Jonathan Lloyd.

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3. Related party relationships and transactions (Continued)

3A. Members of a group:

| Name | Relationship | Country of incorporation |
|------------------------|---------------------------------------|--------------------------|
| PMI Holdings Pte. Ltd. | Immediate and ultimate parent company | Singapore |

Related companies in these financial statements include the members of PMI Holdings Pte. Ltd..

3B. Related party transactions:

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

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

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

Significant related parties transactions:

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------|------------------|
| <u>Related parties:</u> ^(a) | | | |
| Revenue | (230) | (590) | (537) |
| Purchases | 323 | 152 | 180 |
| Commission expenses | – | 5 | 7 |

(a) The related parties are:

- Pasture Marketing Inc, an entity wholly-owned by Soong Chin Kum Jonathan Lloyd, a director of the Company.
- Pleasant Exports, an entity where the entire issued share capital is held by Prashanth Palepu, a director of the Company, together with his immediate family, Srinivasa Gopal Palepu and Pranay Palepu.

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3. Related party relationships and transactions (Continued)

3C. Key management compensation:

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|------------------|------------------|------------------|
| Salaries and other short-term employee benefits | 201 | 238 | 195 |

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

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------|------------------|
| Remuneration of directors of the Group | 201 | 238 | 195 |

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation for all directors of the Group.

3D. Other payables to related parties:

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

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

| | Ultimate parent company | | |
|------------------------------|--------------------------------|------------------|------------------|
| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
| <u>Other payables:</u> | | | |
| At beginning of the year | (90) | – | (1,500) |
| Issue of shares (Note 20) | 90 | – | – |
| Dividends payable | (1,250) | (2,750) | (2,100) |
| Dividends paid | 1,250 | 1,250 | 1,500 |
| At end of the year (Note 23) | – | (1,500) | (2,100) |

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3. Related party relationships and transactions (Continued)

3D. Other payables to related parties: (Continued)

| | 2020 US\$'000 | Shareholder 2021 US\$'000 | 2022 US\$'000 |
|------------------------------|------------------|---------------------------------|------------------|
| <u>Other payables:</u> | | | |
| At beginning of the year | (46) | – | – |
| Issue of shares (Note 20) | 46 | – | – |
| | – | – | – |
| At end of the year (Note 23) | – | – | – |

| | 2020 US\$'000 | Director 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------------------|------------------|
| <u>Other payables:</u> | | | |
| At beginning of the year | (150) | – | – |
| Amounts paid out and settlement of liabilities on behalf of related party | 150 | – | – |
| | – | – | – |
| At end of the year | – | – | – |

4. Segment information

4A. Primary analysis by business segment

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

For management purposes, the Group is organised into three (3) major strategic operating segments: pharmaceutical wholesale and drop-shipment, masks and medical supplies and other services. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

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4. Segment information (Continued)

4A. Primary analysis by business segment (Continued)

The Group distributes and sells its products via following market segments:

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

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

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

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

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

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4. Segment information (Continued)

4B. Profit or loss from continuing operations and reconciliations

| | Pharmaceutical wholesale and drop-shipment US\$'000 | Mask and medical supplies US\$'000 | Other services US\$'000 | Total US\$'000 |
|---|--|---|--|---------------------------|
| 2020 | | | | |
| Revenue by segment | | | | |
| Total revenue by segment | 5,152 | 11,470 | – | 16,622 |
| Cost of sales | (3,830) | (9,447) | – | (13,277) |
| Gross profit | 1,322 | 2,023 | – | 3,345 |
| Other income and gains | 178 | 395 | – | 573 |
| Marketing and distribution costs | (46) | (101) | – | (147) |
| Administrative expenses | (380) | (845) | (33) | (1,258) |
| Finance costs | (7) | (17) | – | (24) |
| Other losses | (57) | – | – | (57) |
| Profit before tax | 1,010 | 1,455 | (33) | 2,432 |
| Income tax expense | | | | (374) |
| Profit, net of tax and total comprehensive income | | | | 2,058 |

| | Pharmaceutical wholesale and drop-shipment US\$'000 | Mask and medical supplies US\$'000 | Other services US\$'000 | Total US\$'000 |
|---|--|---|--|---------------------------|
| 2021 | | | | |
| Revenue by segment | | | | |
| Total revenue by segment | 7,672 | 5,495 | 3 | 13,170 |
| Cost of sales | (6,363) | (3,348) | (2) | (9,713) |
| Gross profit | 1,309 | 2,147 | 1 | 3,457 |
| Other income and gains | 100 | 70 | 4 | 174 |
| Marketing and distribution costs | (21) | (16) | (1) | (38) |
| Administrative expenses | (818) | (585) | (48) | (1,451) |
| Finance costs | (17) | (12) | – | (29) |
| Other losses | (256) | – | – | (256) |
| Profit before tax | 297 | 1,604 | (44) | 1,857 |
| Income tax expense | | | | (301) |
| Profit, net of tax and total comprehensive income | | | | 1,556 |

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4. Segment information (Continued)

4B. Profit or loss from continuing operations and reconciliations (Continued)

| | Pharmaceutical wholesale and drop-shipment US\$'000 | Mask and medical supplies US\$'000 | Other services US\$'000 | Total US\$'000 |
|---|--|--|-------------------------------|-------------------|
| 2022 | | | | |
| Revenue by segment | | | | |
| Total revenue by segment | 9,337 | 5,773 | 21 | 15,131 |
| Cost of sales | (7,911) | (2,767) | (13) | (10,691) |
| Gross profit | 1,426 | 3,006 | 8 | 4,440 |
| Other income and gains | 86 | 54 | – | 140 |
| Marketing and distribution costs | (32) | (20) | (1) | (53) |
| Administrative expenses | (976) | (603) | (39) | (1,618) |
| Finance costs | (10) | (5) | – | (15) |
| Other losses | (29) | – | (5) | (34) |
| Profit before tax | 465 | 2,432 | (37) | 2,860 |
| Income tax expense | | | | (410) |
| Profit, net of tax and total comprehensive income | | | | 2,450 |

4C. Assets and reconciliations

| | Pharmaceutical wholesale and drop-shipment US\$'000 | Mask and medical supplies US\$'000 | Other services US\$'000 | Unallocated US\$'000 | Total US\$'000 |
|---|--|--|-------------------------------|-------------------------|-------------------|
| 2020 | | | | | |
| Total assets for reportable segments ^(a) | 1,162 | 6,895 | – | – | 8,057 |
| Unallocated: | | | | | |
| Property, plant and equipment | – | – | – | 1,398 | 1,398 |
| Right-of-use assets | – | – | – | 5 | 5 |
| Cash and cash equivalents | – | – | – | 2,504 | 2,504 |
| Other non-financial assets | – | – | – | 368 | 368 |
| Total group assets | 1,162 | 6,895 | – | 4,275 | 12,332 |

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4. Segment information (Continued)

4C. Assets and reconciliations (Continued)

| | Pharmaceutical wholesale and drop-shipment US\$'000 | Mask and medical supplies US\$'000 | Other services US\$'000 | Unallocated US\$'000 | Total US\$'000 |
|---|--|---|--|---------------------------------|---------------------------|
| 2021 | | | | | |
| Total assets for reportable segments ^(a) | 1,305 | 846 | 8 | – | 2,159 |
| Unallocated: | | | | | |
| Property, plant and equipment | – | – | – | 1,335 | 1,335 |
| Cash and cash equivalents | – | – | – | 3,210 | 3,210 |
| Other non-financial assets | – | – | – | 376 | 376 |
| Total group assets | 1,305 | 846 | 8 | 4,921 | 7,080 |

| | Pharmaceutical wholesale and drop-shipment US\$'000 | Mask and medical supplies US\$'000 | Other services US\$'000 | Unallocated US\$'000 | Total US\$'000 |
|---|--|---|--|---------------------------------|---------------------------|
| 2022 | | | | | |
| Total assets for reportable segments ^(a) | 1,410 | 240 | – | – | 1,650 |
| Unallocated: | | | | | |
| Property, plant and equipment | – | – | – | 1,673 | 1,673 |
| Right-of-use assets | – | – | – | 54 | 54 |
| Cash and cash equivalents | – | – | – | 3,676 | 3,676 |
| Other non-financial assets | – | – | – | 519 | 519 |
| Total group assets | 1,410 | 240 | – | 5,922 | 7,572 |

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

4D. Liabilities and reconciliations

The liabilities are not allocated to operating segments because they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

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4. Segment information (Continued)

4E. Geographical information

| | 2020 | 2021 | 2022 |
|----------------|-----------------|-----------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 |
| Japan | 813 | 4,820 | 6,377 |
| Malaysia | 427 | 1,268 | 4,252 |
| Hong Kong | 7,654 | 1,313 | 1,899 |
| Canada | 2,723 | 1,100 | 957 |
| Singapore | 2,986 | 635 | 572 |
| United Kingdom | 412 | 2,871 | – |
| Others | 1,607 | 1,163 | 1,074 |
| Total revenue | 16,622 | 13,170 | 15,131 |

Revenues are attributed to country on the basis of the customer’s location, irrespective of the origin of the goods and services. The Group’s non-current assets were all located in Singapore.

4F. Information on major customers

Revenue generates from top three customers:

| | 2020 | 2021 | 2022 |
|-----------------|-----------------|-----------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 |
| Top 1 customer | 6,529 | 4,529 | 5,987 |
| Top 2 customers | 8,537 | 7,399 | 10,224 |
| Top 3 customers | 9,961 | 8,705 | 11,286 |

5. Revenue

| | 2020 | 2021 | 2022 |
|-----------------------|-----------------|-----------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 |
| Rendering of services | 914 | 584 | 147 |
| Sales of goods | 15,708 | 12,586 | 14,984 |
| Total revenue | 16,622 | 13,170 | 15,131 |

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

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6. Other income and gains and (other losses)

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------|------------------|
| Interest income | 6 | 1 | – |
| Impairment allowance on property, plant and equipment | – | (36) | – |
| Impairment allowance on right-of-use assets | – | (81) | – |
| Foreign exchange transaction gains (losses), net | 30 | 34 | (13) |
| Government grant income | 74 | 42 | 103 |
| Government grants from Job Support Scheme ^(a) | – | 85 | – |
| Gain from disposal of investment property | 447 | – | – |
| Gain from disposal of property, plant and equipment | – | – | 35 |
| Inventories written-off | (57) | (30) | (21) |
| Allowance for write-down of inventories | – | (109) | – |
| Rental income from investment property | 2 | – | – |
| Other income | 14 | 12 | 2 |
| Net | 516 | (82) | 106 |
| Presented in profit or loss as: | | | |
| Other income and gains | 573 | 174 | 140 |
| Other losses | (57) | (256) | (34) |
| Net | 516 | (82) | 106 |

(a) The purpose of the Job Support Scheme was to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid COVID-19 for the qualifying period.

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7. Administrative expenses

The major components and other selected components include the following:

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|------------------|------------------|------------------|
| Depreciation of property, plant and equipment (Note 13) | 67 | 75 | 86 |
| Employee benefits expense (Note 8) | 938 | 1,047 | 1,168 |

8. Employee benefits expense

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|------------------|------------------|------------------|
| Short-term employee benefits expense | 777 | 889 | 983 |
| Contributions to defined contribution plans | 98 | 102 | 133 |
| Other benefits | 63 | 56 | 52 |
| Total employee benefits expense | 938 | 1,047 | 1,168 |

9. Finance costs

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|-------------------------------|------------------|------------------|------------------|
| Interest expense | 24 | 24 | 11 |
| Interest on lease liabilities | – | 5 | 4 |
| | 24 | 29 | 15 |

10. Income tax

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

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------|------------------|
| <u>Current tax expense:</u> | | | |
| Current tax expense | 384 | 301 | 427 |
| Over adjustments in respect of prior periods | – | – | (17) |
| Subtotal | 384 | 301 | 410 |

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10. Income tax (Continued)

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

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--------------------------|------------------|------------------|------------------|
| Deferred tax income: | | | |
| Deferred tax income | (10) | – | – |
| Subtotal | (10) | – | – |
| Total income tax expense | 374 | 301 | 410 |

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% for each of the three financial years ended 30 June 2020, 2021 and 2022 to profit before income tax as a result of the following differences:

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------|------------------|
| Profit before tax | 2,432 | 1,857 | 2,860 |
| Income tax expense at the above rate | 413 | 316 | 486 |
| Expenses not deductible for tax purposes | 59 | 1 | 2 |
| Income not taxable | (81) | (14) | (42) |
| Previously unrecognised deferred tax assets recognised this year | (10) | – | (6) |
| Stepped income exemption | (13) | (13) | (13) |
| Unrecognised deferred tax assets | – | 11 | – |
| Over adjustments in respect of prior periods | – | – | (17) |
| Other minor items less than 3% each | 6 | – | – |
| Total income tax expense | 374 | 301 | 410 |

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

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10. Income tax (Continued)

10B. Deferred tax income recognised in profit or loss includes:

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------|------------------|
| Excess of tax value over net book value of plant and equipment | – | 11 | (12) |
| Tax losses carryforwards | (10) | – | 6 |
| Unrecognised deferred tax assets | – | (11) | 6 |
| | <hr/> | | |
| Deferred tax income recognised in profit or loss | (10) | – | – |
| | <hr/> | | |

10C. Deferred tax balance in the consolidated statement of financial position:

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------|------------------|
| From deferred tax assets recognised in profit or loss: | | | |
| Excess of tax value over net book value of plant and equipment | 1 | 12 | – |
| Tax losses carryforwards | 15 | 15 | 21 |
| Unrecognised deferred tax assets | (16) | (27) | (21) |
| | <hr/> | | |
| Net balance | – | – | – |
| | <hr/> | | |

The above deferred tax assets have not been recognised as the future profit streams are not probable against which the deductible temporary difference can be utilised. The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

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11. Earnings per share

Basic earnings per share is calculated by dividing profit, net of tax by the pre-Placement share capital of the Company. The Company’s pre-Placement number of ordinary shares of 112,000,000 has been used in the calculation of basic and diluted earnings per share for all years presented in accordance with SFRS(I)1-33, as the pre-Placement number of ordinary shares reflects the number of ordinary shares held by the shareholders after adjusting for changes in the number of shares arising from the Share Split as disclosed in Note 20. The following illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

| | 2020 US\$’000 | 2021 US\$’000 | 2022 US\$’000 |
|-----------------------------------|------------------|------------------|------------------|
| <u>Numerator</u> | | | |
| Profit, net of income tax | 2,058 | 1,556 | 2,450 |
| Number of ordinary shares | | | |
| <u>Denominator</u> | | | |
| Basic – Number of ordinary shares | 112,000,000 | 112,000,000 | 112,000,000 |

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

12. Dividends on equity shares

| | Rate per share – US\$ | | |
|---|-----------------------|------------------|------------------|
| | 2020 | 2021 | 2022 |
| Interim exempt (1-tier) dividend paid/payable | 1,250 | 13.75 | 10.50 |
| Total dividends paid/payable in the year | 1,250 | 13.75 | 10.50 |
| | | | |
| | 2020 US\$’000 | 2021 US\$’000 | 2022 US\$’000 |
| Interim exempt (1-tier) dividend paid/payable | 1,250 | 2,750 | 2,100 |
| Total dividends paid/payable in the year | 1,250 | 2,750 | 2,100 |

The interim dividend rates are based on the 1,000 shares for the financial year 2020 (prior to the issuance of 199,000 shares as disclosed in Note 20) and 200,000 shares for the financial years 2021 and 2022, before the Share Split as disclosed in Note 20.

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13. Property, plant and equipment

| | Leasehold property US\$'000 | Plant and equipment ^(a) US\$'000 | Total US\$'000 |
|----------------------------------|-----------------------------------|---|-------------------|
| <u>Cost:</u> | | | |
| At 1 July 2019 | 1,472 | 425 | 1,897 |
| Additions | – | 36 | 36 |
| At 30 June 2020 | 1,472 | 461 | 1,933 |
| Additions | – | 48 | 48 |
| Written-off | – | (160) | (160) |
| At 30 June 2021 | 1,472 | 349 | 1,821 |
| Additions | – | 424 | 424 |
| Disposals | – | (108) | (108) |
| At 30 June 2022 | 1,472 | 665 | 2,137 |
| <u>Accumulated depreciation:</u> | | | |
| At 1 July 2019 | 119 | 349 | 468 |
| Depreciation for the year | 30 | 37 | 67 |
| At 30 June 2020 | 149 | 386 | 535 |
| Depreciation for the year | 31 | 44 | 75 |
| Impairment for the year | – | 36 | 36 |
| Written-off | – | (160) | (160) |
| At 30 June 2021 | 180 | 306 | 486 |
| Depreciation for the year | 30 | 56 | 86 |
| Disposals | – | (108) | (108) |
| At 30 June 2022 | 210 | 254 | 464 |
| <u>Carrying value:</u> | | | |
| At 30 June 2020 | 1,323 | 75 | 1,398 |
| At 30 June 2021 | 1,292 | 43 | 1,335 |
| At 30 June 2022 | 1,262 | 411 | 1,673 |

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

The leasehold property is pledged as security for bank facilities (see Note 21).

(a) Included in the above is the carrying amount of motor vehicle under lease agreement amounting to US\$320,000 (2021: US\$NIL, 2020: US\$36,000). Also see Note 24.

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14. Right-of-use assets

| | Office premises US\$'000 |
|----------------------------------|---|
| <u>Cost:</u> | |
| At 1 July 2019 | – |
| Addition | 13 |
| | <hr/> |
| At 30 June 2020 | 13 |
| Addition | 121 |
| Written-off | (13) |
| | <hr/> |
| At 30 June 2021 | 121 |
| Addition | 56 |
| | <hr/> |
| At 30 June 2022 | 177 |
| | <hr/> <hr/> |
| <u>Accumulated depreciation:</u> | |
| At 1 July 2019 | – |
| Depreciation for the year | 8 |
| | <hr/> |
| At 30 June 2020 | 8 |
| Depreciation for the year | 45 |
| Written-off | (13) |
| Impairment for the year | 81 |
| | <hr/> |
| At 30 June 2021 | 121 |
| Depreciation for the year | 2 |
| | <hr/> |
| At 30 June 2022 | 123 |
| | <hr/> <hr/> |
| <u>Carrying value:</u> | |
| At 30 June 2020 | 5 |
| | <hr/> <hr/> |
| At 30 June 2021 | – |
| | <hr/> <hr/> |
| At 30 June 2022 | 54 |
| | <hr/> <hr/> |

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

The right-of-use assets are under lease agreements. Also see Note 24.

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15. Investment property

| | Investment property US\$'000 |
|--|---|
| <u>At cost:</u> | |
| At 1 July 2019 | 283 |
| Disposal | (283) |
| | <hr/> |
| At 30 June 2020, 30 June 2021 and 30 June 2022 | – |
| | <hr/> |
| <u>Accumulated depreciation:</u> | |
| At 1 July 2019 | 70 |
| Disposal | (70) |
| | <hr/> |
| At 30 June 2020, 30 June 2021 and 30 June 2022 | – |
| | <hr/> |
| <u>Carrying value:</u> | |
| At 30 June 2020 | – |
| | <hr/> <hr/> |
| At 30 June 2021 | – |
| | <hr/> <hr/> |
| At 30 June 2022 | – |
| | <hr/> <hr/> |

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|--------------------------|--------------------------|--------------------------|
| Rental income from investment property (Note 6) | 2 | – | – |
| | <hr/> <hr/> | | |

16. Inventories

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|--------------------------|--------------------------|--------------------------|
| Finished goods and goods for resale | 1,269 | 1,662 | 1,206 |
| | <hr/> <hr/> | | |
| Inventories are stated after allowance | | | |
| Movements in allowance: | | | |
| At beginning of the year | – | – | 109 |
| Used | – | – | (66) |
| Charge to profit or loss included in (other income and gains) and other losses | – | 109 | – |
| | <hr/> | | |
| At end of the year | – | 109 | 43 |
| | <hr/> <hr/> | | |

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16. Inventories (Continued)

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|------------------|------------------|------------------|
| The write-off of inventories charged to profit or loss included in other losses | 57 | 30 | 21 |
| The write-down of inventories charged to profit or loss included in (other income and gains) and other losses | – | 109 | – |
| The amount of inventories included in cost of sales | 13,424 | 10,550 | 11,707 |

There are no inventories pledged as security for liabilities.

17. Trade receivables

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|------------------------|------------------|------------------|------------------|
| Outside parties | 6,788 | 468 | 444 |
| Related party (Note 3) | – | 29 | – |
| | 6,788 | 497 | 444 |

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

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------|------------------|
| <u>Ageing analysis of trade receivables:</u> | | | |
| Current | 124 | 125 | 184 |
| 1 to 30 days past due | 3,967 | 336 | 84 |
| 31 to 60 days past due | 1,968 | 32 | 6 |
| 61 to 90 days past due | 729 | 1 | – |
| Over 90 days past due | – | 3 | 170 |
| Total | 6,788 | 497 | 444 |

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17. Trade receivables (Continued)

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

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 60 days for financial years 2020, 2021 and 2022. But some customers take a longer period to settle the amounts.

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

| | 2020 | 2021 | 2022 |
|-----------------|-----------------|-----------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 |
| Top 1 customer | 6,268 | 225 | 170 |
| Top 2 customers | 6,575 | 288 | 229 |
| Top 3 customers | 6,612 | 316 | 241 |

18. Other non-financial assets

| | 2020 | 2021 | 2022 |
|-----------------------------|-----------------|-----------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 |
| Advance to suppliers | 337 | 330 | 468 |
| Deposits to secure services | 5 | 14 | 29 |
| Prepayments | 26 | 32 | 22 |
| | 368 | 376 | 519 |

19. Cash and cash equivalents

| | 2020 | 2021 | 2022 |
|-----------------------|-----------------|-----------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 |
| Not restricted in use | 2,504 | 3,210 | 3,676 |

The interest earning balances are not significant.

19A. Non-cash transactions:

| | 2020 | 2021 | 2022 |
|--|-----------------|-----------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 |
| Acquisitions of certain assets under property, plant and equipment under lease contracts | — | — | 206 |

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19. Cash and cash equivalents (Continued)

19B. Reconciliation of liabilities arising from financing activities:

| | 1 July US\$'000 | Cash flows US\$'000 | Non-cash changes US\$'000 | 30 June US\$'000 |
|---------------------|----------------------------|------------------------------------|--|-----------------------------|
| <u>2020:</u> | | | | |
| Lease liabilities | – | (8) | 12 ^(a) | 4 |
| Loan and borrowings | 981 | (110) | – | 871 |
| | 981 | (118) | 12 | 875 |
| <u>2021:</u> | | | | |
| Lease liabilities | 4 | (48) | 126 ^(b) | 82 |
| Loan and borrowings | 871 | (77) | – | 794 |
| | 875 | (125) | 126 | 876 |
| <u>2022:</u> | | | | |
| Lease liabilities | 82 | (88) | 267 ^(b) | 261 |
| Loan and borrowings | 794 | (43) | – | 751 |
| | 876 | (131) | 267 | 1,012 |

(a) First time recognition of lease liabilities in accordance with SFRS(I) 16 Leases and accretion of interest.

(b) Accretion of interest and recognition of new lease.

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20. Share capital

| | Number of shares issued | Share capital US\$'000 |
|--|----------------------------|---------------------------|
| Ordinary shares of no par value: | | |
| Balance at 1 July 2019 | 1,000 | 1 |
| Issue of shares at US\$1.00 each during the financial year ended 30 June 2020 | 199,000 | 199 |
| Issued and paid-up share capital at 30 June 2020, 30 June 2021 and 30 June 2022 immediately before the Share Split | 200,000 | 200 |
| Issued and paid-up share capital at 30 June 2020, 30 June 2021 and 30 June 2022 immediately after the Share Split | 112,000,000 | 200 |

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

In financial year 2020:

- 63,250 ordinary shares of no par value were issued for cash at US\$1 each;
- 135,750 ordinary shares of no par value issued were off-set against the amount due to the shareholders and ultimate parent company.

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

Capital management:

The objectives when managing capital are: to safeguard the reporting Company’s ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the financial year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves) less other amounts recognised in the statement of equity relating to cash flow hedges, and some forms of subordinated debt, if any.

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20. Share capital (Continued)

The Group’s borrowings are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk of borrowings.

21. Loans and borrowings

| | 2020 US\$’000 | 2021 US\$’000 | 2022 US\$’000 |
|--|------------------|------------------|------------------|
| <u>Non-current:</u> | | | |
| <u>Financial instruments with floating interest rates:</u> | | | |
| Bank loan (secured) ^(a) | 796 | 728 | 686 |
| Total non-current portion | 796 | 728 | 686 |
| <u>Current:</u> | | | |
| <u>Financial instruments with floating interest rates:</u> | | | |
| Bank loan (secured) ^(a) | 62 | 66 | 65 |
| Bank loan (secured) ^(b) | 13 | – | – |
| Total current portion | 75 | 66 | 65 |
| Total non-current and current | 871 | 794 | 751 |
| The non-current portion is repayable as follows: | | | |
| Due within 2 to 5 years | 263 | 282 | 278 |
| After 5 years | 533 | 446 | 408 |
| Total non-current portion | 796 | 728 | 686 |

The range of floating interest rates per year was as follows:

| | 2020 | 2021 | 2022 |
|------------------------------------|-------------|-------------|-------------|
| Bank loan (secured) ^(a) | 2.83%–6.50% | 2.83%–6.50% | 1.38%–1.98% |

(a) The bank loan carries a floating rate of interest. The bank loan is secured by a mortgage over the subsidiary’s leasehold property (Note 13), and a personal guarantee from a director of the Company, and is repayable over 17 years effective from 4 August 2015. The fair value of the bank loan is reasonable approximation of the carrying amount as they are floating instruments that are frequently re-priced to market interest rate.

(b) This pertains to the lease arrangements of a motor vehicle. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under leases are secured by the lessor’s charge over the leased assets. The fixed interest rate was 5.63% per annum for financial year 2020. The amounts are immaterial, hence not reclassified as lease liabilities. The outstanding balance was fully settled in financial year 2020.

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22. Other non-financial liabilities

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------|------------------|
| Contract liabilities on advances received from customers | 894 | 1,419 | 1,804 |

The movements in contract liabilities are as follows:

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|------------------|------------------|------------------|
| At beginning of the year | 381 | 894 | 1,419 |
| Consideration received | 894 | 1,419 | 1,862 |
| Performance obligation satisfied – revenue recognised | (381) | (894) | (1,477) |
| At end of the year | 894 | 1,419 | 1,804 |

Transaction price allocated to the remaining performance obligations:

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the financial year:

| | | | |
|---|-----|-------|-------|
| Expected to be recognised within 1 year | 894 | 1,419 | 1,804 |
|---|-----|-------|-------|

23. Trade and other payables

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|------------------|------------------|------------------|
| <u>Trade payables:</u> | | | |
| Outside parties and accrued liabilities | 7,572 | 1,668 | 585 |
| Related party (Note 3) | – | 5 | – |
| Trade payables – subtotal | 7,572 | 1,673 | 585 |
| <u>Other payables:</u> | | | |
| Ultimate parent company (Note 3) ^(a) | – | 1,500 | 2,100 |
| Other payables – subtotal | – | 1,500 | 2,100 |
| Total trade and other payables | 7,572 | 3,173 | 2,685 |

(a) The amount pertains to dividend payable.

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24. Lease liabilities

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

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Lease liabilities, current | 4 | 62 | 111 |
| Lease liabilities, non-current | – | 20 | 150 |
| | <u>4</u> | <u>82</u> | <u>261</u> |

Lease for right-of-use assets – The Group has leases relating to the office premises and motor vehicle. The lease contracts are usually for fixed periods of 3 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The lease liabilities above do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets. The incremental borrowing rate applied to lease liabilities recognised are 1.99% and 6% per annum for motor vehicle and office premises, respectively (2021: 6%; 2020: 6%).

A summary of the maturity analysis of lease liabilities is disclosed in Note 26E. Total cash outflows from leases are shown in the statement of cash flows. The related cost and accumulated depreciation of motor vehicle and right-of-use assets are disclosed in Notes 13 and 14 respectively.

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

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25. Operating lease income commitments – as lessor

At the end of the financial year, the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|----------------------------|------------------|------------------|------------------|
| Not later than one year | – | – | – |
| Rental income for the year | 2 | – | – |

Operating lease income commitments are for the investment property. The lease rental income terms are negotiated for an average term of two years. The investment property was disposed in financial year 2020.

26. Financial instruments: information on financial risks

26A. Categories of financial assets and liabilities

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

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|------------------|------------------|------------------|
| <u>Financial assets:</u> | | | |
| Financial assets at amortised cost | 9,292 | 3,707 | 4,120 |
| <u>Financial liabilities:</u> | | | |
| Financial liabilities at amortised cost | 8,447 | 4,049 | 3,697 |

Further quantitative disclosures are included throughout these consolidated financial statements.

26B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Group’s operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. However, these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

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

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26. Financial instruments: information on financial risks (Continued)

26C. Fair values of financial instruments

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

26D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the financial year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (“ECL”) on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance.

Under this general approach, the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets, an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 19 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

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26. Financial instruments: information on financial risks (Continued)

26E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 60 days for financial years 2020, 2021 and 2022. The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

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

| | Less than 1 year US\$'000 | 2 – 5 years US\$'000 | Over 5 years US\$'000 | Total US\$'000 |
|---------------------------------------|--|-------------------------------------|--------------------------------------|---------------------------|
| Non-derivative financial liabilities: | | | | |
| <u>2020:</u> | | | | |
| Gross loan and borrowings | 95 | 329 | 600 | 1,024 |
| Gross lease liabilities | 5 | – | – | 5 |
| Trade and other payables | 7,572 | – | – | 7,572 |
| At end of the year | 7,672 | 329 | 600 | 8,601 |

Non-derivative financial liabilities:

2021:

| | | | | |
|---------------------------|-------|-----|-----|-------|
| Gross loan and borrowings | 86 | 345 | 543 | 974 |
| Gross lease liabilities | 65 | 23 | – | 88 |
| Trade and other payables | 3,173 | – | – | 3,173 |
| At end of the year | 3,324 | 368 | 543 | 4,235 |

| | Less than 1 year US\$'000 | 2 – 5 years US\$'000 | Over 5 years US\$'000 | Total US\$'000 |
|---------------------------------------|--|-------------------------------------|--------------------------------------|---------------------------|
| Non-derivative financial liabilities: | | | | |
| <u>2022:</u> | | | | |
| Gross loan and borrowings | 83 | 332 | 435 | 850 |
| Gross lease liabilities | 117 | 157 | – | 274 |
| Trade and other payables | 2,685 | – | – | 2,685 |
| At end of the year | 2,885 | 489 | 435 | 3,809 |

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26. Financial instruments: information on financial risks (Continued)

26E. Liquidity risk – financial liabilities maturity analysis (Continued)

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

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

26F. Interest rate risk

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

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|------------------|------------------|------------------|
| <u>Financial liabilities with interest:</u> | | | |
| Fixed rates | 17 | 82 | 261 |
| Floating rates | 858 | 794 | 751 |
| Total at end of year | 875 | 876 | 1,012 |

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

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|---|------------------|------------------|------------------|
| <u>Financial liabilities:</u> | | | |
| A hypothetical variation in floating interest rates by 100 basis points with all other variables held constant, would have an increase/decrease in pre-tax profit for the year by | 9 | 8 | 8 |

The analysis has been performed for fixed interest rate and floating interest rate over a year for financial instruments. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

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26. Financial instruments: information on financial risks (Continued)

26G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currencies:

| | Singapore Dollar US\$'000 | Euro US\$'000 | Great Britain Pound US\$'000 | Total US\$'000 |
|--|--|--------------------------|---|---------------------------|
| <u>2020:</u> | | | | |
| <u>Financial assets:</u> | | | | |
| Cash and cash equivalents | 731 | 70 | 27 | 828 |
| Trade and other receivables | 138 | – | – | 138 |
| Total financial assets | 869 | 70 | 27 | 966 |
| <u>Financial liabilities:</u> | | | | |
| Trade and other payables | (326) | (2) | – | (328) |
| Loans and borrowings | (871) | – | – | (871) |
| Lease liabilities | (4) | – | – | (4) |
| Total financial liabilities | (1,201) | (2) | – | (1,203) |
| Net financial (liabilities) assets at end of the year | (332) | 68 | 27 | (237) |

| | Singapore Dollar US\$'000 | Euro US\$'000 | Great Britain Pound US\$'000 | Total US\$'000 |
|-----------------------------|--|--------------------------|---|---------------------------|
| <u>2021:</u> | | | | |
| <u>Financial assets:</u> | | | | |
| Cash and cash equivalents | 120 | 72 | 30 | 222 |
| Trade and other receivables | 8 | – | – | 8 |
| Total financial assets | 128 | 72 | 30 | 230 |

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26. Financial instruments: information on financial risks (Continued)

26G. Foreign currency risks (Continued)

| | Singapore Dollar US\$'000 | Euro US\$'000 | Great Britain Pound US\$'000 | Total US\$'000 |
|--|--|--------------------------|---|---------------------------|
| <u>Financial liabilities:</u> | | | | |
| Trade and other payables | (384) | (78) | – | (462) |
| Loans and borrowings | (794) | – | – | (794) |
| Total financial liabilities | (1,178) | (78) | – | (1,256) |
| Net financial (liabilities) assets at end of the year | (1,050) | (6) | 30 | (1,026) |

| | Singapore Dollar US\$'000 | Euro US\$'000 | Great Britain Pound US\$'000 | Total US\$'000 |
|--|--|--------------------------|---|---------------------------|
| <u>2022:</u> | | | | |
| <u>Financial assets:</u> | | | | |
| Cash and cash equivalents | 113 | 114 | 29 | 256 |
| Trade and other receivables | 12 | – | – | 12 |
| Total financial assets | 125 | 114 | 29 | 268 |
| <u>Financial liabilities:</u> | | | | |
| Trade and other payables | (422) | (72) | – | (494) |
| Loans and borrowings | (751) | – | – | (751) |
| Lease liabilities | (261) | – | – | (261) |
| Total financial liabilities | (1,434) | (72) | – | (1,506) |
| Net financial (liabilities) assets at end of the year | (1,309) | 42 | 29 | (1,238) |

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

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26. Financial instruments: information on financial risks (Continued)

26G. Foreign currency risks (Continued)

Sensitivity analysis:

| | 2020 US\$'000 | 2021 US\$'000 | 2022 US\$'000 |
|--|------------------|------------------|------------------|
| A hypothetical 10% strengthening in the exchange rate of the functional currency US\$ against S\$ with all other variables held constant would have a favourable effect on pre-tax profit of | 33 | 105 | 131 |

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

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

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

27. Changes and adoption of financial reporting standards

The Group has adopted all the new and revised standards of the SFRS(I) which are effective for the reporting period beginning 1 July 2019, 1 July 2020 and 1 July 2021 respectively. The adoption of these standards did not require any significant modification of the measurement methods or the presentation in the financial statements except for the adoption of SFRS(I) 16 as described below.

SFRS(I) 16 Leases:

The financial reporting standard on leases is effective for annual periods beginning on or after 1 July 2019 of the Group and it supersedes the previous reporting standard and the related interpretations on leases. For the lessee, almost all leases are brought onto the statement of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Thus, the entity has recognised a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. The reporting entity elected to apply the modified retrospective approach for this new standard on leases. Under the modified retrospective approach, the comparative information is not restated.

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

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

| SFRS(I) No. | Title | Effective date for periods beginning on or after |
|--|--|--|
| Various | Annual Improvements to SFRS(I)s 2018-2020 | 1 January 2022 |
| SFRS (I) 1-1 | Presentation of Financial Statements – Amendment relating to Classification of Liabilities as Current or Non-current | 1 January 2023 |
| SFRS (I) 1-1 and SFRS (I) Practice Statement 2 | Amendments to Disclosure of Accounting Policies | 1 January 2023 |
| SFRS (I) 1-8 | Amendments to Definition of Accounting Estimates | 1 January 2023 |

29. Subsequent events

- (1) On 30 May 2023, each of the Company’s ordinary shares was sub-divided into 560 ordinary shares. Following the Share Split, the issued and paid-up share capital was US\$200,000 comprising 112,000,000 ordinary shares. Also see Note 20.
- (2) An option to purchase was granted by a subsidiary on 9 January 2023 for the disposal of the subsidiary’s leasehold property for a total consideration of S\$2,100,000. The option to purchase was exercised by the purchaser on 10 January 2023. The sale was completed on 31 March 2023.

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PASTURE HOLDINGS LTD. AND ITS SUBSIDIARIES

Statement by directors and consolidated financial statements

Three-month period ended 30 September 2022

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Statement by directors

On behalf of the directors, we, Soong Chin Kum Jonathan Lloyd and Prashanth Palepu, being directors of Pasture Holdings Ltd., do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the directors of the Company which may render the accompanying interim consolidated financial statements for the three-month period ended 30 September 2022 to be false or misleading.

On behalf of the directors

Soong Chin Kum Jonathan Lloyd
Director

Prashanth Palepu
Director

31 May 2023

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The Board of Directors
Pasture Holdings Ltd.
24 Boon Lay Way
#01-73 Tradehub 21
Singapore 609969

Report on the interim consolidated financial statements

We have reviewed the accompanying interim consolidated financial statements of Pasture Holdings Ltd. (the “Company”) and its subsidiaries (the “Group”), which comprise the interim consolidated statement of financial position as at 30 September 2022 and the related interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three-month period then ended, and explanatory notes. The Company’s management is responsible for the preparation and fair presentation of this interim consolidated financial statements in accordance with Singapore Financial Reporting Standard (International) 1-34, Interim Financial Reporting. Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material aspects, in accordance with SFRS(I) 1-34 Interim Financial Reporting.

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Restriction and distribution and use

This report has been prepared solely for inclusion in the offer document of the Company to be issued in relation to the proposed offering of the shares of the Company in connection with the Company’s listing on the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and for no other purpose.

The engagement partner on the review resulting in this independent auditor’s report is Lee Mong Sheong.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

31 May 2023

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**Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
Financial Period Ended 30 September 2022**

| | | Unaudited Three-Month Ended 30 September | |
|--|--------------|---|--------------------------|
| | Notes | 2021 US\$'000 | 2022 US\$'000 |
| Revenue | 5 | 5,173 | 2,140 |
| Cost of sales | | (3,084) | (1,827) |
| Gross profit | | 2,089 | 313 |
| Other income and gains | 6 | 24 | 25 |
| Marketing and distribution costs | | (5) | (78) |
| Administrative expenses | 7 | (366) | (626) |
| Finance costs | 9 | (6) | (5) |
| Other losses | 6 | (32) | (3) |
| Profit/(loss) before tax | | 1,704 | (374) |
| Income tax expense | 10 | (290) | – |
| Profit/(loss), net of tax and total comprehensive income/(loss) | | 1,414 | (374) |
| | | US cents | US cents |
| Basic and diluted earnings/(loss) per share | 11 | 1.26 | (0.33) |

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

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**Interim Consolidated Statements of Financial Position
As at 30 September 2022**

| | Notes | Audited 30 June 2022 US\$'000 | Unaudited 30 September 2022 US\$'000 |
|---------------------------------------|-------|--|---|
| ASSETS | | | |
| <u>Non-current assets</u> | | | |
| Property, plant and equipment | 13 | 1,673 | 1,691 |
| Right-of-use assets | 14 | 54 | 48 |
| Total non-current assets | | 1,727 | 1,739 |
| <u>Current assets</u> | | | |
| Inventories | 15 | 1,206 | 1,332 |
| Trade receivables | 16 | 444 | 616 |
| Other non-financial assets | 17 | 519 | 546 |
| Cash and cash equivalents | 18 | 3,676 | 3,189 |
| Total current assets | | 5,845 | 5,683 |
| Total assets | | 7,572 | 7,422 |
| EQUITY AND LIABILITIES | | | |
| <u>Equity</u> | | | |
| Share capital | 19 | 200 | 200 |
| Retained earnings | | 1,455 | 1,081 |
| Total equity | | 1,655 | 1,281 |
| <u>Non-current liabilities</u> | | | |
| Loans and borrowings, non-current | 20 | 686 | 669 |
| Lease liabilities, non-current | 23 | 150 | 128 |
| Total non-current liabilities | | 836 | 797 |
| <u>Current liabilities</u> | | | |
| Income tax payable | | 416 | 323 |
| Lease liabilities, current | 23 | 111 | 94 |
| Loans and borrowings, current | 20 | 65 | 65 |
| Other non-financial liabilities | 21 | 1,804 | 2,289 |
| Trade and other payables | 22 | 2,685 | 2,573 |
| Total current liabilities | | 5,081 | 5,344 |
| Total liabilities | | 5,917 | 6,141 |
| Total equity and liabilities | | 7,572 | 7,422 |

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

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**Interim Consolidated Statements of Changes in Equity
Financial Period Ended 30 September 2022**

| | Total equity US\$'000 | Share capital US\$'000 | Retained earnings US\$'000 |
|---|--------------------------------------|---------------------------------------|---|
| Previous period: | | | |
| Opening balance at 1 July 2021 | 1,305 | 200 | 1,105 |
| Changes in equity: | | | |
| Total comprehensive income for the period | 1,414 | – | 1,414 |
| Dividends payable (Note 12) | (2,100) | – | (2,100) |
| Total comprehensive income after above period | 1,036 | – | 1,036 |
| Closing balance at 30 June 2022 | 1,655 | 200 | 1,455 |
| Current period: | | | |
| Opening balance at 1 July 2022 | 1,655 | 200 | 1,455 |
| Changes in equity: | | | |
| Total comprehensive loss for the period | (374) | – | (374) |
| Closing balance at 30 September 2022 | 1,281 | 200 | 1,081 |

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

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**Interim Consolidated Statements of Cash Flows
Financial Period Ended 30 September 2022**

| | Unaudited | |
|--|--------------------------|-----------------|
| | Three-Month Ended | |
| | 30 September | |
| | 2021 | 2022 |
| | US\$'000 | US\$'000 |
| <u>Cash flows from operating activities</u> | | |
| Profit/(loss) before tax | 1,704 | (374) |
| Adjustments for: | | |
| Interest expense | 6 | 5 |
| Depreciation of property, plant and equipment | 17 | 33 |
| Depreciation of right-of-use assets | – | 6 |
| Operating cash flows before changes in working capital | 1,727 | (330) |
| Inventories | (195) | (126) |
| Trade and other receivables | (78) | (172) |
| Other non-financial assets | (233) | (27) |
| Trade and other payables | (45) | (112) |
| Other non-financial liabilities | 584 | 485 |
| Net cash flows from operations | 1,760 | (282) |
| Income taxes paid | (64) | (93) |
| Net cash flows from/(used in) operating activities | 1,696 | (375) |
| <u>Cash flows from investing activities</u> | | |
| Purchase of property, plant and equipment (Note 13) | (5) | (51) |
| Net cash flows used in investing activities | (5) | (51) |
| <u>Cash flows from financing activities</u> | | |
| Dividends paid to equity owners | (1,500) | – |
| Repayment of loans and borrowings | (17) | (17) |
| Interest paid | (2) | (5) |
| Lease payments | (18) | (39) |
| Net cash flows used in financing activities | (1,537) | (61) |
| Net increase/(decrease) in cash and cash equivalents | 154 | (487) |
| Cash and cash equivalents, statement of cash flows, beginning balance | 3,210 | 3,676 |
| Cash and cash equivalents, statement of cash flows, ending balance (Note 18A) | 3,364 | 3,189 |

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

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Notes to the interim consolidated financial statements

For the financial period ended 30 September 2022

1. Corporate information

Pasture Holdings Pte. Ltd. (the “Company”) was incorporated on 3 November 2017 under the Companies Act 1967 as a private limited company. It is domiciled in Singapore. On 28 March 2023, the Company was converted to a public company and changed its name to Pasture Holdings Ltd..

The registered office and principal place of business of the Company is located at 24 Boon Lay Way, #01-73 Tradehub 21, Singapore 609969.

The principal activities of the Company are those of investment holding and provision of management services. The information of the subsidiaries are disclosed in the audited consolidated financial statements.

2 Basis of preparation of the consolidated financial statements

The interim consolidated financial statements for the three-month period ended 30 September 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Singapore Accounting Standards Council.

The interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the financial years ended 30 June 2020, 2021 and 2022.

The interim consolidated financial statements are expressed in United States dollar (“USD”), and all values are rounded to nearest thousand (US\$’000), except when otherwise stated.

For the current financial period, new or revised Singapore Financial Reporting Standards (International) and the related Interpretations to SFRS(I)s (“SFRS(I) INT”) were issued by the Singapore Accounting Standards Council. Adoption of the applicable new or revised standards did not result in changes in the detail application of the accounting policies and modifications to the interim consolidated financial statements presentation and measurement.

In preparing the interim consolidated financial statements, the Group has not adopted any other SFRS(I)s, interpretation or amendment to SFRS(I)s that have been issued but are not yet effective.

The Group’s business is not subject to any significant seasonal fluctuations that will affect the results and cash flows for the financial period.

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2 Basis of preparation of the consolidated financial statements (Continued)

2A. Significant accounting policies and other explanatory information

The accounting policies and methods of computation used in the interim unaudited consolidated financial statements are consistent with those applied in the audited consolidated financial statements for the financial years ended 30 June 2020, 2021 and 2022. These accounting policies are set out in Notes 2A and 2B to the audited consolidated financial statements for the financial years ended 30 June 2020, 2021 and 2022.

2B. Use of judgements and estimates

The critical accounting judgements and key sources of estimation uncertainty made by management remains unchanged from the audited consolidated financial statements for the financial years ended 30 June 2020, 2021 and 2022.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties.

A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Soong Chin Kum Jonathan Lloyd.

3A. Members of a group:

| Name | Relationship | Country of incorporation |
|------------------------|---------------------------------------|---------------------------------|
| PMI Holdings Pte. Ltd. | Immediate and ultimate parent company | Singapore |

Related companies in these financial statements include the members of PMI Holdings Pte. Ltd.

3B. Related party transactions:

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

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

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3. Related party relationships and transactions (Continued)

3B. Related party transactions: (Continued)

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

Significant related parties transactions:

| | Three-Month Ended 30 September | |
|--|---|-----------------|
| | 2021 | 2022 |
| | US\$'000 | US\$'000 |
| <u>Related parties:</u> ^(a) | | |
| Revenue | (103) | (9) |
| Purchases | 130 | 6 |
| Commission expenses | 2 | 3 |

(a) The related parties are:

- Pasture Marketing Inc, an entity wholly-owned by Soong Chin Kum Jonathan Lloyd, a director of the Company.
- Pleasant Exports, an entity where the entire issued share capital is held by Prashanth Palepu, a director of the Company, together with his immediate family, Srinivasa Gopal Palepu and Pranay Palepu.

3C. Key management compensation:

| | Three-Month Ended 30 September | |
|---|---|-----------------|
| | 2021 | 2022 |
| | US\$'000 | US\$'000 |
| Salaries and other short-term employee benefits | 48 | 40 |

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

| | Three-Month Ended 30 September | |
|--|---|-----------------|
| | 2021 | 2022 |
| | US\$'000 | US\$'000 |
| Remuneration of directors of the Group | 48 | 40 |

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation for all directors of the Group.

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3. Related party relationships and transactions (Continued)

3D. Other payables to related parties:

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

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

| | Ultimate parent company | |
|---|--------------------------------|---------------------|
| | 30 June | 30 September |
| | 2022 | 2022 |
| | US\$'000 | US\$'000 |
| <u>Other payables:</u> | | |
| At beginning of the financial year/period | (1,500) | (2,100) |
| Dividends payable | (2,100) | – |
| Dividends paid | 1,500 | – |
| At end of the financial year/period (Note 22) | <u>(2,100)</u> | <u>(2,100)</u> |

4. Segment information

4A. Primary analysis by business segment

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

For management purposes, the Group is organised into three (3) major strategic operating segments: pharmaceutical wholesale and drop-shipment, mask and medical supplies and other services. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The Group distributes and sells its products via following market segments:

- (1) Pharmaceutical wholesale and drop-shipment refer to sales generated from the wholesale procurement and transshipment of pharmaceutical and nutraceutical products and backend support of pharmaceutical supplies to international clients' online pharmacy businesses.
- (2) Mask and medical supplies refer to sales generated from surgical masks, N95 respirators, surgical N95 respirators, N95 respirators for general public use and wholesale procurement of medical supplies and devices.

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4. Segment information (Continued)

4A. Primary analysis by business segment (Continued)

(3) Other services refer mainly to sales of new lines of products and services in new markets, such as oral disintegrating strips and the pet pharmaceutical and nutraceutical products and services.

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

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

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

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

4B. Profit or loss from continuing operations and reconciliations

| | Pharmaceutical wholesale and drop-shipment US\$'000 | Mask and medical supplies US\$'000 | Other services US\$'000 | Total US\$'000 |
|---|--|---|--|---------------------------|
| Three-Month Ended 30 September 2021 | | | | |
| Revenue by segment | | | | |
| Total revenue by segment | 2,334 | 2,835 | 4 | 5,173 |
| Cost of sales | (2,015) | (1,066) | (3) | (3,084) |
| Gross profit | 319 | 1,769 | 1 | 2,089 |
| Other income and gains | 6 | 8 | 10 | 24 |
| Marketing and distribution costs | (2) | (3) | – | (5) |
| Administrative expenses | (163) | (196) | (7) | (366) |
| Finance costs | (3) | (3) | – | (6) |
| Other losses | (32) | – | – | (32) |
| Profit before tax | 125 | 1,575 | 4 | 1,704 |
| Income tax expense | | | | (290) |
| Profit, net of tax and total comprehensive income | | | | <u>1,414</u> |

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4. Segment information (Continued)

4B. Profit or loss from continuing operations and reconciliations (Continued)

| | Pharmaceutical wholesale and drop-shipment US\$'000 | Mask and medical supplies US\$'000 | Other services US\$'000 | Total US\$'000 |
|--|--|---|-------------------------------|-------------------|
| Three-Month Ended 30 September 2022 | | | | |
| Revenue by segment | | | | |
| Total revenue by segment | 2,137 | 3 | – | 2,140 |
| Cost of sales | (1,825) | (2) | – | (1,827) |
| Gross profit | 312 | 1 | – | 313 |
| Other income and gains | 25 | – | – | 25 |
| Marketing and distribution costs | (78) | – | – | (78) |
| Administrative expenses | (370) | – | (256) | (626) |
| Finance costs | (5) | – | – | (5) |
| Other losses | (3) | – | – | (3) |
| Loss before tax | (119) | 1 | (256) | (374) |
| Income tax expense | | | | – |
| Loss, net of tax and total comprehensive loss | | | | (374) |

4C. Assets and reconciliations

| | Pharmaceutical wholesale and drop-shipment US\$'000 | Mask and medical supplies US\$'000 | Other services US\$'000 | Unallocated US\$'000 | Total US\$'000 |
|---|--|---|-------------------------------|-------------------------|-------------------|
| 30 June 2022 | | | | | |
| Total assets for reportable segments ^(a) | 1,410 | 240 | – | – | 1,650 |
| Unallocated: | | | | | |
| Property, plant and equipment | – | – | – | 1,673 | 1,673 |
| Right-of-use assets | – | – | – | 54 | 54 |
| Cash and cash equivalents | – | – | – | 3,676 | 3,676 |
| Other non-financial assets | – | – | – | 519 | 519 |
| Total group assets | 1,410 | 240 | – | 5,922 | 7,572 |

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4. Segment information (Continued)

4C. Assets and reconciliations (Continued)

| | Pharmaceutical wholesale and drop-shipment US\$'000 | Mask and medical supplies US\$'000 | Other services US\$'000 | Unallocated US\$'000 | Total US\$'000 |
|---|--|---|-------------------------------|-------------------------|-------------------|
| 30 September 2022 | | | | | |
| Total assets for reportable segments ^(a) | 1,720 | 228 | – | – | 1,948 |
| Unallocated: | | | | | |
| Property, plant and equipment | – | – | – | 1,691 | 1,691 |
| Right-of-use assets | – | – | – | 48 | 48 |
| Cash and cash equivalents | – | – | – | 3,189 | 3,189 |
| Other non-financial assets | – | – | – | 546 | 546 |
| Total group assets | 1,720 | 228 | – | 5,474 | 7,422 |

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

4D. Liabilities and reconciliations

The liabilities are not allocated to operating segments because they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

4E. Geographical information

| | Three-Month Ended 30 September | |
|----------------------|---|--------------------------|
| | 2021 US\$'000 | 2022 US\$'000 |
| Japan | 1,458 | 1,615 |
| Malaysia | 2,677 | – |
| Hong Kong | 282 | 235 |
| Canada | 253 | 136 |
| Singapore | 208 | 82 |
| Others | 295 | 72 |
| Total revenue | 5,173 | 2,140 |

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4. Segment information (Continued)

4E. Geographical information (Continued)

Revenues are attributed to the country on the basis of the customer’s location, irrespective of the origin of the goods and services. The Group’s non-current assets were all located in Singapore.

4F. Information on major customers

Revenue generated from top three customers:

| | Three-Month Ended 30 September | |
|-----------------|---|-----------------|
| | 2021 | 2022 |
| | US\$’000 | US\$’000 |
| Top 1 customer | 2,670 | 1,539 |
| Top 2 customers | 4,043 | 1,762 |
| Top 3 customers | 4,322 | 1,853 |

5. Revenue

| | Three-Month Ended 30 September | |
|-----------------------|---|-----------------|
| | 2021 | 2022 |
| | US\$’000 | US\$’000 |
| Rendering of services | 4 | – |
| Sales of goods | 5,169 | 2,140 |
| Total revenue | 5,173 | 2,140 |

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

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6. Other income and gains and (other losses)

| | Three-Month Ended 30 September | |
|---|---|-----------------|
| | 2021 | 2022 |
| | US\$'000 | US\$'000 |
| Foreign exchange transaction gains, net | 10 | 17 |
| Government grant income | 8 | – |
| Inventories written-off | (32) | (3) |
| Other income | 6 | 8 |
| Net | (8) | 22 |
| Presented in profit or loss as: | | |
| Other income and gains | 24 | 25 |
| Other losses | (32) | (3) |
| Net | (8) | 22 |

7. Administrative expenses

The major components and other selected components include the following:

| | Three-Month Ended 30 September | |
|---|---|-----------------|
| | 2021 | 2022 |
| | US\$'000 | US\$'000 |
| Depreciation of property, plant and equipment (Note 13) | 17 | 33 |
| Employee benefits expense (Note 8) | 259 | 244 |

8. Employee benefits expense

| | Three-Month Ended 30 September | |
|---|---|-----------------|
| | 2021 | 2022 |
| | US\$'000 | US\$'000 |
| Short-term employee benefits expense | 219 | 207 |
| Contributions to defined contribution plans | 29 | 27 |
| Other benefits | 11 | 10 |
| Total employee benefits expense | 259 | 244 |

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9. Finance costs

| | Three-Month Ended 30 September | |
|-------------------------------|---|-----------------|
| | 2021 | 2022 |
| | US\$'000 | US\$'000 |
| Interest expense | 2 | 5 |
| Interest on lease liabilities | 4 | – |
| | <u>6</u> | <u>5</u> |

10. Income tax

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

| | Three-Month Ended 30 September | |
|-----------------------------|---|-----------------|
| | 2021 | 2022 |
| | US\$'000 | US\$'000 |
| <u>Current tax expense:</u> | | |
| Current tax expense | 290 | – |

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (30 September 2021: 17%) to profit/(loss) before income tax as a result of the following differences:

| | Three-Month Ended 30 September | |
|---|---|-----------------|
| | 2021 | 2022 |
| | US\$'000 | US\$'000 |
| Profit/(loss) before tax | 1,704 | (374) |
| Income tax expense/(income) at the above rate | 290 | (64) |
| Unrecognised deferred tax assets | – | 64 |
| Total income tax expense | <u>290</u> | <u>–</u> |

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

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10. Income tax (Continued)

10B. Deferred tax balance in the consolidated statement of financial position:

| | Three-Month Ended 30 September | |
|--|---|---|
| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
| From deferred tax assets recognised in profit or loss: | | |
| Tax losses carryforwards | – | 64 |
| Unrecognised deferred tax assets | – | (64) |
| Net balance | – | – |

The above deferred tax assets have not been recognised as the future profit streams are not probable against which the deductible temporary difference can be utilised. The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

11. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing profit/(loss), net of tax by the pre-Placement share capital of the Company after adjusting for the Share Split. The Company’s pre-Placement number of ordinary shares of 112,000,000 has been used in the calculation of basic and diluted earnings per share for all years presented in accordance with SFRS(I)1-33, as the pre-Placement number of ordinary shares reflects the number of ordinary shares held by the shareholders after adjusting for changes in the number of shares arising from the Share Split as disclosed in Note 19. The following illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

| | Three-Month Ended 30 September | |
|-----------------------------------|---|--------------------------|
| | 2021 US\$'000 | 2022 US\$'000 |
| <u>Numerator</u> | | |
| Profit/(loss), net of income tax | 1,414 | (374) |
| | Number of ordinary shares | |
| <u>Denominator</u> | | |
| Basic – Number of ordinary shares | 112,000,000 | 112,000,000 |

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

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12. Dividends on equity shares

| | Rate per share – US\$ | |
|---|-----------------------|----------------------|
| | 30 June 2022 | 30 September 2022 |
| Interim exempt (1-tier) dividend paid/payable | 10.50 | – |
| Total dividends paid/payable in the year/period | 10.50 | – |

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|---|-----------------------------|----------------------------------|
| Interim exempt (1-tier) dividend paid/payable | 2,100 | – |
| Total dividends paid/payable in the year/period | 2,100 | – |

13. Property, plant and equipment

| | Leasehold property US\$'000 | Plant and equipment ^(a) US\$'000 | Total US\$'000 |
|----------------------------------|-----------------------------------|---|-------------------|
| <u>Cost:</u> | | | |
| At 1 July 2021 | 1,472 | 349 | 1,821 |
| Additions | – | 5 | 5 |
| At 30 September 2021 | 1,472 | 354 | 1,826 |
| Additions | – | 419 | 419 |
| Disposals | – | (108) | (108) |
| At 30 June 2022 | 1,472 | 665 | 2,137 |
| Additions | – | 51 | 51 |
| Written-off | – | (25) | (25) |
| At 30 September 2022 | 1,472 | 691 | 2,163 |
| <u>Accumulated depreciation:</u> | | | |
| At 1 July 2021 | 180 | 306 | 486 |
| Depreciation | 8 | 9 | 17 |
| At 30 September 2021 | 188 | 315 | 503 |
| Depreciation | 22 | 47 | 69 |
| Disposals | – | (108) | (108) |
| At 30 June 2022 | 210 | 254 | 464 |
| Depreciation | 8 | 25 | 33 |
| Written-off | – | (25) | (25) |
| At 30 September 2022 | 218 | 254 | 472 |
| <u>Carrying value:</u> | | | |
| At 30 June 2022 | 1,262 | 411 | 1,673 |
| At 30 September 2022 | 1,254 | 437 | 1,691 |

(a) Included in the above is the carrying amount of motor vehicle under lease agreement amounting to US\$307,000 (30 June 2022: US\$320,000). Also see Note 23.

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13. Property, plant and equipment (Continued)

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

The leasehold property is pledged as security for bank facilities (see Note 20).

14. Right-of-use assets

| | Office premises US\$'000 |
|---------------------------------------|---|
| <u>Cost:</u> | |
| At 1 July 2021 and 30 September 2021 | 121 |
| Addition | 56 |
| | <hr/> |
| At 30 June 2022 and 30 September 2022 | 177 |
| | <hr/> |
| <u>Accumulated depreciation:</u> | |
| At 1 July 2021 and 30 September 2021 | 121 |
| Depreciation | 2 |
| | <hr/> |
| At 30 June 2022 | 123 |
| Depreciation | 6 |
| | <hr/> |
| At 30 September 2022 | 129 |
| | <hr/> |
| <u>Carrying value:</u> | |
| At 30 June 2022 | 54 |
| | <hr/> |
| At 30 September 2022 | 48 |
| | <hr/> |

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

The right-of-use assets are under lease agreements. Also see Note 23.

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15. Inventories

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|--|--------------------------------------|---|
| Finished goods and goods for resale | 1,206 | 1,332 |
| Inventories are stated after allowance | | |
| Movements in allowance: | | |
| At beginning of the year/period | 109 | 43 |
| Used | (66) | (17) |
| At end of the year/period | 43 | 26 |
| The write-off of inventories charged to profit or loss included in other losses | 21 | 3 |
| The amount of inventories included in cost of sales | 11,707 | 1,765 |

There are no inventories pledged as security for liabilities.

16. Trade receivables

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|-----------------|--------------------------------------|---|
| Outside parties | 444 | 616 |

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

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|---|--------------------------------------|---|
| <u>Aging analysis of trade receivables:</u> | | |
| Current | 184 | 158 |
| 1 to 30 days past due | 84 | 123 |
| 31 to 60 days past due | 6 | 22 |
| 61 to 90 days past due | – | 153 |
| Over 90 days past due | 170 | 160 |
| Total | 444 | 616 |

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16. Trade receivables (Continued)

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

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 60 days (30 June 2022: 60 days). But some customers take a longer period to settle the amounts.

Concentration of trade receivable customers as at the end of financial year/period:

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|-----------------|--------------------------------------|---|
| Top 1 customer | 170 | 169 |
| Top 2 customers | 229 | 329 |
| Top 3 customers | 241 | 415 |

17. Other non-financial assets

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|-----------------------------|--------------------------------------|---|
| Advance to suppliers | 468 | 498 |
| Deposits to secure services | 29 | 30 |
| Prepayments | 22 | 18 |
| | 519 | 546 |

18. Cash and cash equivalents

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|-----------------------|--------------------------------------|---|
| Not restricted in use | 3,676 | 3,189 |

The interest earning balances are not significant.

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18. Cash and cash equivalents (Continued)

18A. Cash and cash equivalents in the statement of cash flow:

| | 30 September 2021 US\$'000 | 30 September 2022 US\$'000 |
|--|---|---|
| Cash and cash equivalents for statement of cash flows purposes | 3,364 | 3,189 |

18B. Reconciliation of liabilities arising from financing activities:

There are no reconciliation amount for the non-cash changes in liabilities arising from financing activities for the three-month period ended 30 September 2022 (30 September 2021: US\$Nil).

19. Share capital

| | Number of shares issued | Share capital US\$'000 |
|--|------------------------------------|-----------------------------------|
| Ordinary shares of no par value: | | |
| Issued and paid-up share capital at 1 July 2021, 30 June 2022 and 30 September 2022 immediately before the Share Split | 200,000 | 200 |
| Issued and paid-up share capital at 30 June 2022 and 30 September 2022 immediately after the Share Split | 112,000,000 | 200 |

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

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

Capital management:

The objectives when managing capital are: (a) to safeguard the reporting Company’s ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders; and (b) to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the financial year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to

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19. Share capital (Continued)

Capital management: (Continued)

owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves) less other amounts recognised in the statement of equity relating to cash flow hedges, and some forms of subordinated debt, if any.

The Group’s borrowings are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk of borrowings.

20. Loans and borrowings

| | 30 June 2022 US\$’000 | 30 September 2022 US\$’000 |
|--|--------------------------------------|---|
| <u>Non-current:</u> | | |
| <u>Financial instruments with floating interest rates:</u> | | |
| Bank loan (secured) | 686 | 669 |
| Total non-current portion | 686 | 669 |
| <u>Current:</u> | | |
| <u>Financial instruments with floating interest rates:</u> | | |
| Bank loan (secured) | 65 | 65 |
| Total current portion | 65 | 65 |
| Total non-current and current | 751 | 734 |
| The non-current portion is repayable as follows: | | |
| Due within 2 to 5 years | 278 | 278 |
| After 5 years | 408 | 391 |
| Total non-current portion | 686 | 669 |

The range of floating interest rates per year was as follows:

| | 30 June 2022 | 30 September 2022 |
|---------------------|-------------------------|------------------------------|
| Bank loan (secured) | 1.38% | 1.38% |
| | -1.98% | -1.98% |

- (a) The bank loan carries a floating rate of interest. The bank loan is secured by a mortgage over the subsidiary’s leasehold property (Note 13), and a personal guarantee from a director of the Company, and is repayable over 17 years effective from 4 August 2015. The fair value of the bank loan is reasonable approximation of the carrying amount as they are floating instruments that are frequently re-priced to market interest rate.

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21. Other non-financial liabilities

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|--|--------------------------------------|---|
| Contract liabilities on advances received from customers | 1,804 | 2,289 |

The movements in contract liabilities are as follows:

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|---|--------------------------------------|---|
| At beginning of the year/period | 1,419 | 1,804 |
| Consideration received | 1,862 | 2,289 |
| Performance obligation satisfied – revenue recognised | (1,477) | (1,804) |
| At end of the year/period | 1,804 | 2,289 |

Transaction price allocated to the remaining performance obligations:

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the financial year/period:

| | | |
|---|-------|-------|
| Expected to be recognised within 1 year | 1,804 | 2,289 |
|---|-------|-------|

22. Trade and other payables

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|---|--------------------------------------|---|
| <u>Trade payables:</u> | | |
| Outside parties and accrued liabilities | 585 | 473 |
| Trade payables – subtotal | 585 | 473 |
| <u>Other payables:</u> | | |
| Ultimate parent company (Note 3) ^(a) | 2,100 | 2,100 |
| Other payables – subtotal | 2,100 | 2,100 |
| Total trade and other payables | 2,685 | 2,573 |

(a) The amount pertains to dividend payable.

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23. Lease liabilities

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

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|--------------------------------|--------------------------------------|---|
| Lease liabilities, current | 111 | 94 |
| Lease liabilities, non-current | 150 | 128 |
| | 261 | 222 |

Lease for right-of-use assets – The Group has leases relating to the office premises and motor vehicle. The lease contracts are usually for fixed periods of 3 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The lease liabilities above do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets. The incremental borrowing rate applied to lease liabilities recognised are 1.99% and 6% per annum (30 June 2022: 1.99% and 6%) for motor vehicle and office premises, respectively.

A summary of the maturity analysis of lease liabilities is disclosed in Note 24E. Total cash outflows from leases are shown in the statement of cash flows. The related cost and accumulated depreciation of motor vehicle and right-of-use assets are disclosed in Notes 13 and 14 respectively.

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

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24. Financial instruments: information on financial risks

24A. Categories of financial assets and liabilities

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

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|---|--------------------------------------|---|
| <u>Financial assets:</u> | | |
| Financial assets at amortised cost | 4,120 | 3,805 |
| <u>Financial liabilities:</u> | | |
| Financial liabilities at amortised cost | 3,697 | 3,529 |

Further quantitative disclosures are included throughout these consolidated financial statements.

24B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Group’s operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and actions to be taken in order to manage the financial risks. However, these are not documented in formal written documents. The following guidelines are followed: (a) all financial risk management activities are carried out and monitored by senior management staff; and (b) all financial risk management activities are carried out following acceptable market practices.

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

24C. Fair values of financial instruments

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

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24. Financial instruments: information on financial risks (Continued)

24D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the financial year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (“ECL”) on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance.

Under this general approach, the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets, an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 18 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

24E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 60 days (30 June 2022: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

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24. Financial instruments: information on financial risks (Continued)

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

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

| | Less than 1 year US\$'000 | 2 – 5 years US\$'000 | Over 5 years US\$'000 | Total US\$'000 |
|---------------------------------------|--|-------------------------------------|--------------------------------------|---------------------------|
| Non-derivative financial liabilities: | | | | |
| <u>30 June 2022:</u> | | | | |
| Gross loan and borrowings | 83 | 332 | 435 | 850 |
| Gross lease liabilities | 117 | 157 | – | 274 |
| Trade and other payables | 2,685 | – | – | 2,685 |
| At end of the year | 2,885 | 489 | 435 | 3,809 |
| Non-derivative financial liabilities: | | | | |
| <u>30 September 2022:</u> | | | | |
| Gross loan and borrowings | 83 | 332 | 414 | 829 |
| Gross lease liabilities | 94 | 133 | – | 227 |
| Trade and other payables | 2,573 | – | – | 2,573 |
| At end of the year | 2,750 | 465 | 414 | 3,629 |

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

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

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24. Financial instruments: information on financial risks (Continued)

24F. Interest rate risk

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

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|---|--------------------------------------|---|
| <u>Financial liabilities with interest:</u> | | |
| Fixed rates | 261 | 222 |
| Floating rates | 751 | 734 |
| Total at end of year | 1,012 | 956 |

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

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|---|--------------------------------------|---|
| <u>Financial liabilities:</u> | | |
| A hypothetical variation in floating interest rates by 100 basis points with all other variables held constant, would have an increase/decrease in pre-tax profit for the year/period by: | 8 | 7 |

The analysis has been performed for fixed interest rate and floating interest rate over a year for financial instruments. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

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24. Financial instruments: information on financial risks (Continued)

24G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currencies:

| | Singapore Dollar US\$'000 | Euro US\$'000 | Great Britain Pound US\$'000 | Total US\$'000 |
|--|--|--------------------------|---|---------------------------|
| <u>30 June 2022:</u> | | | | |
| <u>Financial assets:</u> | | | | |
| Cash and cash equivalents | 113 | 114 | 29 | 256 |
| Trade and other receivables | 12 | – | – | 12 |
| Total financial assets | 125 | 114 | 29 | 268 |
| <u>Financial liabilities:</u> | | | | |
| Trade and other payables | (422) | (72) | – | (494) |
| Loans and borrowings | (751) | – | – | (751) |
| Lease liabilities | (261) | – | – | (261) |
| Total financial liabilities | (1,434) | (72) | – | (1,506) |
| Net financial (liabilities)/assets at end of the year | (1,309) | 42 | 29 | (1,238) |

| | Singapore Dollar US\$'000 | Euro US\$'000 | Great Britain Pound US\$'000 | Total US\$'000 |
|--|--|--------------------------|---|---------------------------|
| <u>30 September 2022:</u> | | | | |
| <u>Financial assets:</u> | | | | |
| Cash and cash equivalents | 286 | 46 | 26 | 358 |
| Trade and other receivables | 7 | – | – | 7 |
| Total financial assets | 293 | 46 | 26 | 365 |
| <u>Financial liabilities:</u> | | | | |
| Trade and other payables | (351) | (16) | – | (367) |
| Loans and borrowings | (734) | – | – | (734) |
| Lease liabilities | (222) | – | – | (222) |
| Total financial liabilities | (1,307) | (16) | – | (1,323) |
| Net financial (liabilities)/assets at end of the year | (1,014) | 30 | 26 | (958) |

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND
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24. Financial instruments: information on financial risks (Continued)

24G. Foreign currency risks (Continued)

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

Sensitivity analysis:

| | 30 June 2022 US\$'000 | 30 September 2022 US\$'000 |
|---|--------------------------------------|---|
| A hypothetical 10% strengthening in the exchange rate of the functional currency US\$ against S\$ with all other variables held constant would have a favourable effect on pre-tax profit for the year/period of: | 131 | 101 |

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

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

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

25. Subsequent events

- (1) On 30 May 2023, each of the Company’s ordinary shares was sub-divided into 560 ordinary shares. Following the Share Split, the issued and paid-up share capital was US\$200,000 comprising 112,000,000 ordinary shares. Also see Note 19.
- (2) An option to purchase was granted by a subsidiary on 9 January 2023 for the disposal of the subsidiary’s leasehold property for a total consideration of S\$2,100,000. The option to purchase was exercised by the purchaser on 10 January 2023. The sale was completed on 31 March 2023.

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FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE
2022 AND THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

PASTURE HOLDINGS LTD. AND ITS SUBSIDIARIES

Unaudited *pro forma* consolidated financial information

For the Financial Year Ended 30 June 2022 and Three-Month Period Ended 30 September 2022

APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE COMPILATION OF THE UNAUDITED *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 AND THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

The Board of Directors
Pasture Holdings Ltd.
24 Boon Lay Way
#01-73 Tradehub 21
Singapore 609969

Report on the Compilation of Unaudited *Pro Forma* Consolidated Financial Information

We have completed our assurance engagement to report on the compilation of unaudited *pro forma* consolidated financial information of Pasture Holdings Ltd. (the “Company”) and its subsidiaries (the “Group”). The unaudited *pro forma* consolidated financial information of the Group consists of the *pro forma* consolidated statements of profit or loss and other comprehensive income for the financial year ended 30 June 2022 and three-month period ended 30 September 2022, *pro forma* consolidated statements of financial position as at 30 June 2022 and 30 September 2022, the *pro forma* consolidated statements of cash flows for the financial year ended 30 June 2022 and three-month period ended 30 September 2022, and related notes as set out in Appendix C of the Offer Document issued by the Company. The applicable criteria on the basis of which management has compiled the unaudited *pro forma* consolidated financial information is described in Note 3.

The unaudited *pro forma* financial information has been compiled by management to illustrate the impact of the significant event set out in Note 2 on the unaudited *pro forma* consolidated statements of profit or loss and other comprehensive income of the Group for the financial year ended 30 June 2022 and three-month period ended 30 September 2022, unaudited *pro forma* consolidated financial positions of the Group as at 30 June 2022 and 30 September 2022 and the unaudited *pro forma* consolidated cash flows of the Group for the financial year ended 30 June 2022 and three-month period ended 30 September 2022 as if the event had occurred on those dates described in Note 3.

As part of this process, information about the Group’s consolidated statements of profit or loss and other comprehensive income for the financial year ended 30 June 2022 and for three-month period ended 30 September 2022, consolidated financial position as at 30 June 2022 and 30 September 2022 and consolidated cash flows for the financial year ended 30 June 2022 and three-month period ended 30 September 2022 have been extracted by management from the Group’s audited consolidated financial statements for the financial year ended 30 June 2022 and interim unaudited consolidated financial statements for the three-month period ended 30 September 2022, on which an audit report and a review report have been published respectively.

Management’s Responsibility for the *Pro Forma* Financial Information

Management is responsible for compiling the unaudited *pro forma* consolidated financial information of the Group on the basis of the applicable criteria as described in Note 3.

APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE COMPILATION OF THE UNAUDITED *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 AND THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Singapore Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibilities

Our responsibility is to express an opinion about whether the unaudited *pro forma* consolidated financial information has been compiled, in all material respects, by management on the basis of the applicable criteria as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus, issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the *pro forma* financial information on the basis of the applicable criteria as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in an offer document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction on the date selected for purposes of the illustration would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

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The procedures selected depend on the auditor’s judgement, having regard to the auditor’s understanding of the nature of the event or transaction in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) The *pro forma* financial information has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which are in accordance with Singapore Financial Reporting Standards (International);
 - (ii) on the basis of the applicable criteria stated in Note 3 of the unaudited *pro forma* consolidated financial information; and
- (b) each material adjustment made to the information used in the preparation of the unaudited *pro forma* consolidated financial information is appropriate for the purpose of preparing such unaudited financial information.

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis stated in Note 3.

Restriction on distribution and use

This report has been prepared solely for inclusion in the offer document of the Company to be issued in relation to the proposed offering of the shares of the Company in connection with the Company’s listing on the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and for no other purpose.

The engagement partner on the assurance engagement resulting in this independent auditor’s report is Lee Mong Sheong.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

31 May 2023

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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**Unaudited *Pro Forma* Consolidated Statement of Profit or Loss and Other
Comprehensive Income
Financial Year Ended 30 June 2022**

| | Audited consolidated statement of profit or loss and other comprehensive income Financial year ended 30 June 2022 US\$'000 | Unaudited <i>pro forma</i> adjustments Financial year ended 30 June 2022 US\$'000 | Unaudited <i>pro forma</i> consolidated statement of profit or loss and other comprehensive income Financial year ended 30 June 2022 US\$'000 |
|--|---|--|--|
| Revenue | 15,131 | – | 15,131 |
| Cost of sales | (10,691) | – | (10,691) |
| Gross profit | 4,440 | – | 4,440 |
| Other income and gains | 140 | 231 ^(a) | 371 |
| Marketing and distribution costs | (53) | – | (53) |
| Administrative expenses | (1,618) | 31 ^(c) | (1,587) |
| Finance costs | (15) | 11 ^(d) | (4) |
| Other losses | (34) | – | (34) |
| Profit before tax | 2,860 | 273 | 3,133 |
| Income tax expense | (410) | – | (410) |
| Profit, net of tax and total comprehensive income | 2,450 | 273 | 2,723 |

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**Unaudited *Pro Forma* Consolidated Statement of Profit or Loss and Other
Comprehensive Income
For The Three-Month Period Ended 30 September 2022**

| | Unaudited consolidated statement of profit or loss and other comprehensive income Three-month period ended 30 September 2022 US\$'000 | Unaudited <i>pro forma</i> adjustments Three-month period ended 30 September 2022 US\$'000 | Unaudited <i>pro forma</i> consolidated statement of profit or loss and other comprehensive income Three-month period ended 30 September 2022 US\$'000 |
|--|--|---|--|
| Revenue | 2,140 | – | 2,140 |
| Cost of sales | (1,827) | – | (1,827) |
| Gross profit | 313 | – | 313 |
| Other income and gains | 25 | – | 25 |
| Marketing and distribution costs | (78) | – | (78) |
| Administrative expenses | (626) | 8 ^(c) | (618) |
| Finance costs | (5) | 5 ^(d) | – |
| Other losses | (3) | – | (3) |
| Loss before tax | (374) | 13 | (361) |
| Income tax expense | – | – | – |
| Loss, net of tax and total comprehensive loss | (374) | 13 | (361) |

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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2022 AND THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

**Unaudited *Pro Forma* Consolidated Statement of Financial Position
As at 30 June 2022**

| | Audited consolidated statement of financial position 30 June 2022 US\$'000 | Unaudited <i>pro forma</i> adjustments 30 June 2022 US\$'000 | Unaudited <i>pro forma</i> consolidated statement of financial position 30 June 2022 US\$'000 |
|---------------------------------------|---|---|--|
| ASSETS | | | |
| <u>Non-current assets</u> | | | |
| Property, plant and equipment | 1,673 | (1,262) ^(a) | 411 |
| Right-of-use assets | 54 | – | 54 |
| Total non-current assets | 1,727 | (1,262) | 465 |
| <u>Current assets</u> | | | |
| Inventories | 1,206 | – | 1,206 |
| Trade receivables | 444 | – | 444 |
| Other non-financial assets | 519 | – | 519 |
| Cash and cash equivalents | 3,676 | 721 ^{(a),(b)} | 4,397 |
| Total current assets | 5,845 | 721 | 6,566 |
| Total assets | 7,572 | (541) | 7,031 |
| EQUITY AND LIABILITIES | | | |
| <u>Equity</u> | | | |
| Share capital | 200 | – | 200 |
| Retained earnings | 1,455 | 210 | 1,665 |
| Total equity | 1,655 | 210 | 1,865 |
| <u>Non-current liabilities</u> | | | |
| Loans and borrowings, non-current | 686 | (686) ^(b) | – |
| Lease liabilities, non-current | 150 | – | 150 |
| Total non-current liabilities | 836 | (686) | 150 |

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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**Unaudited *Pro Forma* Consolidated Statement of Financial Position
As at 30 June 2022 (Continued)**

| | Audited consolidated statement of financial position 30 June 2022 US\$'000 | Unaudited <i>pro forma</i> adjustments 30 June 2022 US\$'000 | Unaudited <i>pro forma</i> consolidated statement of financial position 30 June 2022 US\$'000 |
|-------------------------------------|---|---|--|
| <u>Current liabilities</u> | | | |
| Income tax payable | 416 | – | 416 |
| Lease liabilities, current | 111 | – | 111 |
| Loans and borrowings, current | 65 | (65) ^(b) | – |
| Other non-financial liabilities | 1,804 | – | 1,804 |
| Trade and other payables | 2,685 | – | 2,685 |
| Total current liabilities | 5,081 | (65) | 5,016 |
| Total liabilities | 5,917 | (751) | 5,166 |
| Total equity and liabilities | 7,572 | (541) | 7,031 |

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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**Unaudited *Pro Forma* Consolidated Statement of Financial Position
As at 30 September 2022**

| | Interim unaudited consolidated statement of financial position 30 September 2022 US\$'000 | Unaudited <i>pro forma</i> adjustments 30 September 2022 US\$'000 | Unaudited <i>pro</i> <i>forma</i> interim consolidated statement of financial position 30 September 2022 US\$'000 |
|---------------------------------------|--|--|--|
| ASSETS | | | |
| <u>Non-current assets</u> | | | |
| Property, plant and equipment | 1,691 | (1,254) ^(a) | 437 |
| Right-of-use assets | 48 | – | 48 |
| Total non-current assets | 1,739 | (1,254) | 485 |
| <u>Current assets</u> | | | |
| Inventories | 1,332 | – | 1,332 |
| Trade receivables | 616 | – | 616 |
| Other non-financial assets | 546 | – | 546 |
| Cash and cash equivalents | 3,189 | 693 ^{(a),(b)} | 3,882 |
| Total current assets | 5,683 | 693 | 6,376 |
| Total assets | 7,422 | (561) | 6,861 |
| EQUITY AND LIABILITIES | | | |
| <u>Equity</u> | | | |
| Share capital | 200 | – | 200 |
| Retained earnings | 1,081 | 173 | 1,254 |
| Total equity | 1,281 | 173 | 1,454 |
| <u>Non-current liabilities</u> | | | |
| Loans and borrowings, non-current | 669 | (669) ^(b) | – |
| Lease liabilities, non-current | 128 | – | 128 |
| Total non-current liabilities | 797 | (669) | 128 |
| <u>Current liabilities</u> | | | |
| Income tax payable | 323 | – | 323 |
| Lease liabilities, current | 94 | – | 94 |
| Loans and borrowings, current | 65 | (65) ^(b) | – |
| Other non-financial liabilities | 2,289 | – | 2,289 |
| Trade and other payables | 2,573 | – | 2,573 |
| Total current liabilities | 5,344 | (65) | 5,279 |
| Total liabilities | 6,141 | (734) | 5,407 |
| Total equity and liabilities | 7,422 | (561) | 6,861 |

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**Unaudited *Pro Forma* Consolidated Statement of Cash Flows
Financial Year Ended 30 June 2022**

| | Audited consolidated statement of cash flows Financial year ended 30 June 2022 US\$'000 | Unaudited <i>pro forma</i> adjustments Financial year ended 30 June 2022 US\$'000 | Unaudited <i>pro forma</i> consolidated statement of cash flow Financial year ended 30 June 2022 US\$'000 |
|---|--|--|--|
| <u>Cash flows from operating activities</u> | | | |
| Profit before tax | 2,860 | 273 | 3,133 |
| Adjustments for: | | | |
| Interest expense | 15 | (11) ^(d) | 4 |
| Gain on disposal of property, plant and equipment | (35) | (231) ^(a) | (266) |
| Depreciation of property, plant and equipment | 86 | (31) ^(c) | 55 |
| Depreciation of right-of-use assets | 2 | – | 2 |
| Operating cash flows before changes in working capital | 2,928 | – | 2,928 |
| Inventories | 456 | – | 456 |
| Trade and other receivables | 53 | – | 53 |
| Other non-financial assets | (143) | – | (143) |
| Trade and other payables | (1,088) | – | (1,088) |
| Other non-financial liabilities | 385 | – | 385 |
| Net cash flows from operations | 2,591 | – | 2,591 |
| Income taxes paid | (300) | – | (300) |
| Net cash flows from operating activities | 2,291 | – | 2,291 |
| <u>Cash flows from investing activities</u> | | | |
| Purchase of property, plant and equipment | (218) | – | (218) |
| Proceeds from disposal of property, plant and equipment | 35 | 1,523 ^(a) | 1,558 |
| Net cash flows (used in)/from investing activities | (183) | 1,523 | 1,340 |

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**Unaudited *Pro Forma* Consolidated Statement of Cash Flows
Financial Year Ended 30 June 2022 (Continued)**

| | Audited consolidated statement of cash flows Financial year ended 30 June 2022 US\$'000 | Unaudited <i>pro forma</i> adjustments Financial year ended 30 June 2022 US\$'000 | Unaudited <i>pro forma</i> consolidated statement of cash flow Financial year ended 30 June 2022 US\$'000 |
|---|--|--|--|
| <u>Cash flows from financing activities</u> | | | |
| Dividends paid to equity owners | (1,500) | – | (1,500) |
| Repayment of loans and borrowings | (43) | (751) ^(b) | (794) |
| Interest paid | (11) | 11 ^(d) | – |
| Lease payments | (88) | – | (88) |
| Net cash flows used in financing activities | (1,642) | (740) | (2,382) |
| Net increase in cash and cash equivalents | 466 | 783 | 1,249 |
| Cash and cash equivalents, statement of cash flows, beginning balance | 3,210 | – | 3,210 |
| Cash and cash equivalents, statement of cash flows, ending balance | 3,676 | 783 | 4,459 |

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**Unaudited *Pro Forma* Consolidated Statement of Cash Flows
For The Three-Month Period Ended 30 September 2022**

| | Unaudited consolidated statement of cash flows Three-month period ended 30 September 2022 US\$'000 | Unaudited <i>pro forma</i> adjustments Three-month period ended 30 September 2022 US\$'000 | Unaudited <i>pro forma</i> consolidated statement of cash flow Three-month ended 30 September 2022 US\$'000 |
|--|--|---|--|
| <u>Cash flows from operating activities</u> | | | |
| Loss before tax | (374) | 13 | (361) |
| Adjustments for: | | | |
| Interest expense | 5 | (5) ^(d) | – |
| Depreciation of property, plant and equipment | 33 | (8) ^(c) | 25 |
| Depreciation of right-of-use assets | 6 | – | 6 |
| Operating cash flows before changes in working capital | (330) | – | (330) |
| Inventories | (126) | – | (126) |
| Trade and other receivables | (172) | – | (172) |
| Other non-financial assets | (27) | – | (27) |
| Trade and other payables | (112) | – | (112) |
| Other non-financial liabilities | 485 | – | 485 |
| Net cash flows from operations | (282) | – | (282) |
| Income taxes paid | (93) | – | (93) |
| Net cash flows used in operating activities | (375) | – | (375) |
| <u>Cash flows from investing activities</u> | | | |
| Purchase of property, plant and equipment | (51) | – | (51) |
| Net cash flows used in investing activities | (51) | – | (51) |

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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2022 AND THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

**Unaudited *Pro Forma* Consolidated Statement of Cash Flows
For The Three-Month Period Ended 30 September 2022 (Continued)**

| | Unaudited consolidated statement of cash flows Three-month period ended 30 September 2022 US\$'000 | Unaudited <i>pro forma</i> adjustments Three-month period ended 30 September 2022 US\$'000 | Unaudited <i>pro forma</i> consolidated statement of cash flow Three-month ended 30 September 2022 US\$'000 |
|---|--|---|--|
| <u>Cash flows from financing activities</u> | | | |
| Repayment of loans and borrowings | (17) | 17 ^(b) | – |
| Interest paid | (5) | 5 ^(d) | – |
| Lease payments | (39) | – | (39) |
| Net cash flows (used in)/from financing activities | (61) | 22 | (39) |
| Net (decrease)/increase in cash and cash equivalents | (487) | 22 | (465) |
| Cash and cash equivalents, statement of cash flows, beginning balance | 3,676 | 783 | 4,459 |
| Cash and cash equivalents, statement of cash flows, ending balance | 3,189 | 805 | 3,994 |

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE COMPILATION OF THE UNAUDITED *PRO FORMA* CONSOLIDATED
FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE
2022 AND THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

Notes to the unaudited *pro forma* adjustments, to be read together with Note 3.3 to the unaudited *pro forma* consolidated financial statements:

(a) Disposal of a leasehold property

An option to purchase was granted by a subsidiary of the Company on 9 January 2023 for the disposal of a leasehold property of the subsidiary for a total consideration of S\$2,100,000. The leasehold property’s net book values were US\$1,292,000, US\$1,262,000 and US\$1,254,000 as at 1 July 2021, 30 June 2022 and 30 September 2022 respectively.

The sale consideration of S\$2,100,000 less the related estimated cost of disposal of S\$51,000 (mainly agent commission) has been translated at the applicable foreign exchange rates for the following illustrative purposes:

- Approximately US\$1,523,000 being the net proceeds from disposal translated at US\$1:S\$1.3449 as at 1 July 2021 less the net book value of the leasehold property as at 1 July 2021 to derive the *pro forma* gain from disposal of US\$231,000 for the financial year ended 30 June 2022;
- Approximately US\$1,472,000 and US\$1,427,000, being the net proceeds from disposal translated at US\$1:S\$1.3912 and US\$1:S\$1.4349 as at 30 June 2022 and 30 September 2022 respectively less the repayment of the Group’s interest bearing loan to derive the *pro forma* adjustments to the cash and cash equivalent balances as at 30 June 2022 and 30 September 2022 respectively.

(b) Repayment of interest-bearing loan

The Group has an interest-bearing loan of US\$794,000, US\$751,000 and US\$734,000 as at 1 July 2021, 30 June 2022 and 30 September 2022 respectively. For illustrative purposes:

- The loan was assumed to be fully repaid as at 30 June 2022 and 30 September 2022 in the *pro forma* consolidated statements of financial position of the Group as at 30 June 2022 and 30 September 2022 respectively;
- The loan was assumed to be fully repaid as at 1 July 2021 for the *pro forma* consolidated statement of cash flow of the Group for the financial year ended 30 June 2022. Hence loan repayment was reversed in the *pro forma* consolidated statement of cash flows of the Group for the three-month period ended 30 September 2022.

(c) Depreciation expense

The depreciation expenses of the leasehold property included in administrative expenses of US\$31,000 and US\$8,000 for the financial year ended 30 June 2022 and three-month period ended 30 September 2022 respectively were reversed assuming the leasehold property was disposed on 1 July 2021. The same *pro forma* adjustments were made to the consolidated statements of cash flows of the Group for the financial year ended 30 June 2022 and three-month period ended 30 September 2022.

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE COMPILATION OF THE UNAUDITED *PRO FORMA* CONSOLIDATED
FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE
2022 AND THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

Notes to the unaudited *pro forma* adjustments, to be read together with Note 3.3 to the unaudited *pro forma* consolidated financial statements: (Continued)

(d) Interest expense

The interest expenses on the interest-bearing loan included in finance costs of US\$11,000 and US\$5,000 for the financial year ended 30 June 2022 and three-month period ended 30 September 2022 respectively were reversed assuming the interest bearing loan was fully repaid on 1 July 2021. The same *pro forma* adjustments were made to the consolidated statements of cash flows of the Group for the financial year ended 30 June 2022 and three-month period ended 30 September 2022.

(e) Income tax

There is no impact to income tax expense as the *pro forma* gain from disposal and the reversal of the related depreciation expense are not considered income subject to tax and tax deductible item respectively. The income tax impact from the reversal of interest expense above is not considered material.

APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE COMPILATION OF THE UNAUDITED *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 AND THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

Notes to the unaudited *pro forma* consolidated financial statements For the financial year ended 30 June 2022 and three-month period ended 30 September 2022

1. Corporate information

Pasture Holdings Ltd. (the “Company”) was incorporated on 3 November 2017 under the Companies Act 1967 as a private limited company. It is domiciled in Singapore. On 28 March 2023, the Company was converted to a public company and changed its name to Pasture Holdings Ltd..

The registered office and principal place of business of the Company is located at 24 Boon Lay Way, #01-73 Tradehub 21, Singapore 609969.

The principal activity of the Company is that of an investment holding.

The principal activities of the subsidiaries are disclosed in Note 1.1 to the audited consolidated financial statements for the financial years ended 30 June 2020, 2021 and 2022.

2. Significant event

Disposal of a leasehold property and repayment of interest-bearing loan

An option to purchase was granted by a subsidiary of the Company on 9 January 2023 for the disposal of a leasehold property of the subsidiary for a total consideration of S\$2,100,000. The option to purchase was exercised by the purchaser on 10 January 2023. The sale was completed on 31 March 2023. The sale proceeds, after deducting the estimated related costs were used to repay the Group’s interest-bearing loan.

3. Basis of preparation of the unaudited *pro forma* consolidated financial statements

- 3.1 The unaudited *pro forma* consolidated financial statements are expressed in United States dollar (“USD”), and all values are rounded to nearest thousand (US\$’000), except where otherwise stated.
- 3.2 The unaudited *pro forma* consolidated financial information of the Group for the financial year ended 30 June 2022 and three-month period ended 30 September 2022 have been compiled based on:
 - (a) the audited consolidated financial statements of the Group for the financial year ended 30 June 2022, which were prepared by management in accordance with the Singapore Financial Reporting Standards (International), and audited by RSM Chio Lim LLP, in accordance with Singapore Standards on Auditing. The independent auditor’s report relating to the aforementioned audited consolidated financial statements was not subject to any qualification; and

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE COMPILATION OF THE UNAUDITED *PRO FORMA* CONSOLIDATED
FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE
2022 AND THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

**3. Basis of preparation of the unaudited *pro forma* consolidated financial statements
(Continued)**

- (b) the interim consolidated financial statements of the Group for the three-month period ended 30 September 2022, which were prepared by management in accordance with Singapore Financial Reporting Standard (International) 1-34, Interim Financial Reporting (“SFRS(I) 1-34”) and reviewed by RSM Chio Lim LLP, Singapore in accordance with Singapore Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. The auditor’s review report on these interim consolidated financial statements was not subject to any qualification.

3.3 The unaudited *pro forma* consolidated financial information of the Group for the financial year ended 30 June 2022 and three-month period ended 30 September 2022 have been compiled based on certain assumptions and after making certain adjustments to illustrate the effects of the following events or transactions:

- (a) the unaudited *pro forma* consolidated statements of financial position of the Group as at 30 June 2022 and 30 September 2022 would have been if the significant event disclosed in Note 2 had occurred on 30 June 2022 and 30 September 2022 respectively; and
- (b) the unaudited *pro forma* consolidated statement of comprehensive income and unaudited *pro forma* consolidated statements of cash flows of the Group for the financial year ended 30 June 2022 and three-month period ended 30 September 2022 would have been if the significant event disclosed in Note 2 had occurred on 1 July 2021.

The unaudited *pro forma* consolidated financial information of the Group, because of its nature, is not necessarily indicative of the cash flow and financial position or the related effects that would have been attained had the significant event actually occurred earlier. Save as disclosed above, the management, for the purpose of preparing this set of unaudited *pro forma* consolidated financial information of the Group, has not considered the effects of other events.

APPENDIX D – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pasture Holdings Ltd.

24 Boon Lay Way
#01-73 TradeHub 21
Singapore 609969

Date: 31 May 2023

Attention: The Audit Committee

Dear Sirs/Madams

ADOPTION OF GENERAL MANDATE FOR RECURRENT INTERESTED PERSON TRANSACTIONS

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meaning as defined in the offer document of Pasture Holdings Ltd. dated 31 May 2023 (the “**Offer Document**”).*

*This letter has been prepared solely for inclusion in the Offer Document of the Company in connection with the initial public offering of the Shares of the Company on the Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).*

1. INTRODUCTION

Pasture Holdings Ltd. is seeking a listing of its Shares on the Catalist of the SGX-ST.

This letter (the “**IFA Letter**”) has been prepared for the inclusion in the Offer Document of Pasture Holdings Ltd. (the “**Company**”) (and together with its subsidiaries which are ‘Entities At Risk’ under Chapter 9 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”), collectively the “**EAR Group**”) in relation to the adoption of a general mandate for recurrent interested person transactions (the “**IPT General Mandate**”) between (a) any entities in the EAR Group; and (b) the mandated interested persons (the “**Mandated Interested Persons**”) as named in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Mandated Interested Persons” of the Offer Document.

Under Chapter 9 of the Catalist Rules, a listed company may seek a general mandate from its shareholders for recurrent interested person transactions of revenue or trading nature or for those necessary for its day-to-day operations, but not in respect of the purchase or sale of assets, undertakings or businesses.

It is anticipated that the EAR Group would, following the admission of the Company to the Catalist of the SGX-ST, in the ordinary course of business, continue to enter into certain transactions with the Mandated Interested Persons (the “**Mandated Transactions**”). It is likely that such Mandated Transactions will occur with some degree of frequency and may arise at any time. In view of the time-sensitive and/or recurrent nature of the Mandated Transactions, the Company is adopting the IPT General Mandate to enable the EAR Group to enter into the Mandated Transactions in its normal course of business, provided that an independent financial adviser opines that the methods and procedures set out in the IPT General Mandate are sufficient to ensure that all such Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

APPENDIX D – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 920(2) of the Catalist Rules, the Company may treat the IPT General Mandate as having been given by its Shareholders for the EAR Group to enter into Mandated Transactions with the Mandated Interested Persons if the information required under Rule 920(1)(b) is included in the Offer Document.

To comply with the requirements of Chapter 9 of the Catalist Rules, Xandar Capital Pte. Ltd. (“**Xandar Capital**”) has been appointed as the independent financial adviser to provide an opinion on whether the methods or procedures as set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of the Offer Document are sufficient to ensure that the Mandated Transactions between the EAR Group and the Mandated Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter sets out our evaluation of the IPT General Mandate and our opinion thereof. This IFA Letter has been prepared pursuant to Rule 920(1)(b)(v) of the Catalist Rules for the use of the Audit Committee of the Company, who as at the date of the Offer Document, are considered to be independent for the purpose of the IPT General Mandate, and this IFA Letter forms part of the Offer Document.

2. TERMS OF REFERENCE

Xandar Capital has been appointed to opine on whether the methods or procedures for the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We are and were not involved in any aspect of the negotiations pertaining to the IPT General Mandate or the Mandated Transactions contemplated under the IPT General Mandate, nor were we involved in the deliberations leading to the Company’s decision to adopt the IPT General Mandate and to enter into the Mandated Transactions contemplated under the IPT General Mandate. We do not, by this IFA Letter, make any representation or warranty in relation to the merits of the IPT General Mandate or the transactions contemplated under the IPT General Mandate.

Our terms of reference do not require us to evaluate or comment on the legal, strategic or commercial merits and/or risks of the IPT General Mandate and the Mandated Transactions contemplated under the IPT General Mandate. We have also not conducted any review of the business, operations or financial condition of the Company and the EAR Group, and we have not relied on any financial projections or forecasts in respect of the Company or the EAR Group, nor did we have access to their business plans, financial projections and forecasts. We are not required to express and we do not express any view herein on the growth prospects, financial position and earnings potential of the Company or the EAR Group pursuant to the adoption of the IPT General Mandate or the Mandated Transactions contemplated under the IPT General Mandate. We are also not expressing any view herein as to the prices at which the shares of the Company may trade with or without the IPT General Mandate. Such evaluation shall remain the sole responsibility of the Directors.

We were also not required or authorised to obtain, and we have not obtained, any quotation or transacted price from third parties for products or services similar to those which are to be covered by the IPT General Mandate, and are therefore not able to, and will not comment on the Mandated Transactions.

APPENDIX D – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In the course of our evaluation, we have held discussions with certain Directors and management of the EAR Group and have examined information provided and representations made to us by the aforesaid parties, including information in the Offer Document. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. Nonetheless, we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy and reliability of the information.

We have relied upon the assurance of the Directors that they collectively and individually accept full responsibility for the accuracy of the information given in the Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the Offer Document constitutes full and true disclosure of all material facts about the IPT General Mandate, the Company and the EAR Group as at the date of the Offer Document. The Directors are not aware of any facts the omission of which would make any statement in the Offer Document misleading. Where information in the Offer Document has been extracted from published or otherwise publicly available sources or this IFA Letter, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Offer Document in its proper form and context. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Company, the EAR Group and the IPT General Mandate are to the best of their knowledge and belief, fair and accurate in all material aspects. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us as described above.

The Company has been separately advised by its own advisers in the preparation of the Offer Document (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Offer Document (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Offer Document (other than this IFA Letter and save as set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Opinion of the Independent Financial Adviser” of the Offer Document).

Whilst a copy of this IFA Letter may be reproduced in the Offer Document, save for the purpose of any matter relating to the IPT General Mandate, neither the Company, the Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes at any time and in any manner without our prior written consent in each specific case. Our opinion in relation to the IPT General Mandate should be considered in the context of the entirety of this IFA Letter and the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of the Offer Document.

3. THE IPT GENERAL MANDATE

3.1 The IPT General Mandate

Information on the IPT General Mandate is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of the Offer Document.

APPENDIX D – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.2 The Mandated Interested Persons

Information on the Mandated Interested Person of the IPT General Mandate is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Mandated Interested Persons” of the Offer Document.

We note that there are two (2) Mandated Interested Persons, namely, (a) Pleasant Exports (a partnership incorporated in India); (b) Palepu Pharma Private Limited, listed in the IPT General Mandate.

The Company’s Non-Executive Director, Mr. Prashanth Palepu, together with his immediate family, namely Mr. Srinivasa Gopal Palepu and Mr. Pranay Palepu, hold the entire issued share capital of Pleasant Exports. Accordingly, Pleasant Exports is an Associate of a Director and an interested person.

The Company’s Controlling Shareholder, Mr. Srinivasa Gopal Palepu, together with his immediate family, hold in aggregate 40.0% of the share capital of Palepu Pharma Private Limited. Accordingly, Palepu Pharma Private Limited is an Associate of a Controlling Shareholder and an interested person.

3.3 Categories of Mandated Transactions

Information on the categories of Mandated Transactions is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Categories of Mandated Interested Person Transactions” of the Offer Document.

We note that there are two (2) categories of Mandated Transactions as follows:

- (a) the purchase of pharmaceutical products from the Mandated Interested Persons; and
 - (b) the sale of masks and medical supplies to the Mandated Interested Persons,
- collectively, the “**Mandated Transactions**”.

3.4 Rationale for and Benefits of the IPT General Mandate

Information on the rationale for and benefits of the IPT General Mandate is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Rationale for and Benefits of the IPT General Mandate” of the Offer Document.

We note that the IPT General Mandate will enable the EAR Group to tap on the extensive network of Pleasant Exports and obtain quality pharmaceutical products on normal commercial terms from a reliable source, being Pleasant Exports, in the normal course of business of the EAR Group.

In addition, given Pleasant Exports’ strong presence and extensive outreach in India and that Palepu Pharma is one of the largest distributors in the state of Tamil Nadu, India, the sale of masks and medical supplies by the EAR Group to the Mandated Interested Persons will allow the EAR Group to tap on the Mandated Interested Persons’ extensive network to expand its clientele base for the distribution of its masks and medical supplies, in the normal course of business of the EAR Group.

APPENDIX D – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.5 Methods and Procedures for the Mandated Transactions

Detailed information on the methods and procedures is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Methods and Procedures for Mandated Transactions with the Mandated Interested Persons” of the Offer Document.

We note that the methods and procedures involve:

- (a) In relation to the purchase of pharmaceutical products from the Mandated Interested Persons

The EAR Group will obtain quotations from at least two (2) unrelated third-party suppliers for the same or similar types of pharmaceutical products for comparison wherever appropriate and practicable (“**Comparable Quotes**”) before any purchase of pharmaceutical products from the Mandated Interested Persons.

In the event that two (2) Comparable Quotes are not available (for instance, there are no unrelated third party suppliers of similar products, or only one (1) Comparable Quote was obtained, or if the product is a proprietary item distributed only by the Mandated Interested Person), the EAR Group will request for two (2) recent transaction documents from the Mandated Interested Person for the sale of the same or substantially similar products by the Mandated Interested Person to its unrelated third-party customers, as the basis for comparison.

In the absence of the above-mentioned comparison documents, the Chief Executive Officer or Chief Financial Officer or, in the event the Chief Executive Officer and Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person, an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the transaction) will determine whether the prices and terms offered by the Mandated Interested Person are in accordance with the Group’s usual business practices and pricing policies or industry norms, on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders after taking into account factors such as the historical rates or prices paid by the Group for the same or substantially similar products, credit terms, strategic purposes of the transaction and any other relevant factors. The Chief Executive Officer, Chief Financial Officer and/or other officer of similar or equivalent rank may, if they deem fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, or require additional review by the internal auditors in respect of the Mandated Transactions.

- (b) In relation to the sale of masks and medical supplies to the Mandated Interested Persons

The EAR Group will compare the quotation to be given to the Mandated Interested Person with at least two (2) recent successful sales of the same masks and/or medical supplies by the EAR Group to its unrelated third party customers (“**Comparable Sales**”) before the sale of masks and/or medical supplies by the EAR Group to the Mandated Interested Person.

APPENDIX D – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

The Company will also be implementing the following approval thresholds:

| Approval threshold | Approving authority who must have no interest, direct or indirect, in the Mandated Transactions |
|--|---|
| ALL Mandated Transactions | Chief Executive Officer or Chief Financial Officer or, in the event the Chief Executive Officer and Chief Financial Officer have an interest in the Mandated Transaction(s) or are nominees of the Mandated Interested Person, an officer of similar or equivalent rank (who must have no interest, direct or indirect, in the transaction) |
| Mandated Transaction (either individually or cumulatively during the same financial year) is equal to or exceeding 3.0% of the value of the Group's latest audited NTA | Additional approval from the Audit Committee |

The Company will also implement additional review procedures including a register of all interested person transactions (including the Mandated Transactions), setting out the bases on which the interested person transactions are entered into, amount, nature, material terms and conditions and supporting evidence and quotations obtained to support such bases, to facilitate the review of the interested person transactions (including the Mandated Transactions) by the Audit Committee, as well as the review of internal audit reports to ascertain that the methods and procedures established to monitor interested person transactions (including the Mandated Transactions) have been adhered to.

4. VALIDITY PERIOD OF THE IPT GENERAL MANDATE

Pursuant to Catalyst Rule 920(2), the IPT General Mandate will be effective until the earlier of the following: (a) the conclusion of the first annual general meeting ("**AGM**") following the Company's admission to Catalyst; or (b) the first anniversary of the date of the Company's admission to Catalyst.

APPENDIX D – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Approval from independent Shareholders will be sought for the renewal of the IPT General Mandate at each subsequent AGM, subject to the satisfactory review by the Audit Committee of its continued application to the Mandated Transactions. In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, the Mandated Interested Persons and their Associates shall abstain from voting on resolutions involving themselves and the EAR Group. Furthermore, such Mandated Interested Persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the appointing Shareholder.

5. ROLE OF AUDIT COMMITTEE

We note that the Audit Committee will:

- (a) review and approve any Mandated Transaction which individually or cumulatively during the same financial year has a value equal to or exceeds 3.0% of the EAR Group's then latest audited NTA;
- (b) review all Mandated Transactions (except where Mandated Transactions are required under the methods and procedures of the IPT General Mandate to be approved by the Audit Committee prior to the entry thereof) at least on a semi-annual basis;
- (c) review the internal audit reports submitted by the internal auditors on whether the methods and procedures established to monitor the Mandated Transactions have been adhered to;
- (d) review, at least on a semi-annual basis, or such other frequency as deemed necessary, the methods and procedures for Mandated Transactions to determine if they are adequate and/or commercially practicable in ensuring that transactions between the EAR Group and the Mandated Interested Persons are conducted at arm's length and on normal commercial terms; and
- (e) if, during these reviews by the Audit Committee, the Audit Committee is of the view that the established methods and procedures for the Mandated Transactions with the Mandated Interested Persons have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Persons are conducted, the Group will seek a fresh general mandate for the Mandated Transactions based on new methods and procedures so that the Mandated Transactions will be carried out on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

6. OUR OPINION

In arriving at our opinion in respect of the IPT General Mandate, we have considered, among other things, (a) the methods and procedures as well as the approval procedures and thresholds set out in the IPT General Mandate; (b) the frequency of review of Interested Person Transactions by the Chief Financial Officer, the Audit Committee and the internal auditors; (c) the role of the Audit Committee in relation to the IPT General Mandate; and (d) the rationale for and benefits of the IPT General Mandate.

APPENDIX D – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Having regard to the considerations set out in this IFA Letter and the information available to us as at the Latest Practicable Date, Xandar Capital is of the opinion that the methods and procedures for determining the transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

7. THIS IFA LETTER

This IFA Letter is prepared pursuant to Rule 920(1)(b)(v) of the Catalist Rules and addressed to the Audit Committee in connection with and for the purposes of their consideration of the IPT General Mandate and for inclusion in the Offer Document. Our opinion in relation to the IPT General Mandate should be considered in the context of the entirety of this IFA Letter and the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of the Offer Document.

Whilst a copy of this IFA Letter may be reproduced in the Offer Document, save for the purpose of any matter relating to the IPT General Mandate, neither the Company, the Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

APPENDIX E – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for the Placement Shares at the Placement Price for each Placement Share, subject to the terms and conditions set out below and the Application Forms:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF PLACEMENT SHARES WILL BE REJECTED.**
2. Your application for the Placement Shares may only be made by way of the Application Form or other such forms of application as the Issue Manager, Sponsor and Placement Agent may deem appropriate.
3. **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.**
4. **You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Placement Shares. Any separate application by you for the Placement Shares shall be deemed to be multiple applications and may be rejected at the discretion of our Company and the Issue Manager, Sponsor and Placement Agent, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.**

If you, not being an approved nominee company, have submitted an application for the Placement Shares in your own name, you should not submit any other application for the Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company and the Issue Manager, Sponsor and Placement Agent.

Joint and/or multiple applications for the Placement Shares may be rejected at the discretion of our Company and the Issue Manager, Sponsor and Placement Agent. If you submit or procure submissions of multiple share applications for the Placement Shares, you may be deemed to have committed an offence under the Penal Code 1871 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary, may be rejected at the discretion of our Company and the Issue Manager, Sponsor and Placement Agent.

By completing and delivering the Application Form, you declare that you do not possess more than one (1) individual direct Securities Account with CDP.

5. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Form) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the name of a deceased person at the time of application.

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6. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 7 below.
7. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, and insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
8. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 9 below, your application shall be rejected if your particulars such as your name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you have more than one (1) individual direct Securities Account with CDP, your application shall be rejected.
9. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and/or allocation and other correspondences from CDP will be sent to your address last registered with CDP.**
10. **Our Company, in consultation with the Issue Manager, Sponsor and Placement Agent, reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or with the terms and conditions of this Offer Document or which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance or remittances which are not honoured upon their first presentation.**

Each of our Company and the Issue Manager, Sponsor and Placement Agent further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Form or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of our Company, the Issue Manager, Sponsor and Placement Agent, as agent of our Company, has been authorised to accept, for and on behalf of our Company, such other forms of application as the Issue Manager, Sponsor and Placement Agent deem appropriate.

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11. Our Company, in consultation with the Issue Manager, Sponsor and Placement Agent, reserves the right to reject or accept, in whole or in part, or to scale down any application, without assigning any reason therefor, and no enquiry and/or correspondence on our decision of our Company will be entertained. In deciding the basis of allotment which shall be at our discretion, in consultation with the Issue Manager, Sponsor and Placement Agent, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
12. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, and subject to the submission of a valid application and payment for the Placement Shares, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company and/or the Issue Manager, Sponsor and Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee, any instrument of transfer and/or other documents required for the issue or transfer of the Placement Shares allotted to you.
13. In the event a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.
14. Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares and:
 - (a) where the Placement Shares have not been allotted and issued, we shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, as the case may be, give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application; and (B) take all reasonable steps to make available within a reasonable period of time the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document, as the case may be;
 - (ii) within seven (7) days from the date of the lodgement of the supplementary or replacement offer document, as the case may be, give you a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application; or
 - (iii) (A) treat your application as withdrawn and cancelled, in which case your application shall be deemed to have been withdrawn and cancelled; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, return all monies you have paid on account of your application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk and you shall not have any right or claim against our Company and/or the Issue Manager, Sponsor and Placement Agent; or

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- (b) where the Placement Shares have already been allotted and issued but trading has not commenced, we shall either:
- (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, as the case may be, give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in, as the case may be; and (B) take all reasonable steps to make available within a reasonable period of time the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document, as the case may be;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give you a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in and without any right to claim against our Company and/or the Issue Manager, Sponsor and Placement Agent; or
 - (iii) (A) treat the issue of the Placement Shares as void in which case the issue of the Placement Shares shall be deemed void; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, return all monies paid on account of your application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk, and you shall not have any right or claim against our Company and/or the Issue Manager, Sponsor and Placement Agent.

If you wish to exercise your option under paragraph 14(a)(i) or (ii) above to withdraw your application, you shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, as the case may be, notify us of this, whereupon we shall, within seven (7) days from the receipt of such notification, return to you all monies paid by you on account of your application for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk and you shall not have any claim against our Company and/or the Issue Manager, Sponsor and Placement Agent.

If you wish to exercise your option under paragraph 14(b)(i) or (ii) above to return the Placement Shares issued to you, you shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, as the case may be, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to us, whereupon we shall, within seven (7) days from the receipt of such notification, return to you all monies paid by you on account of your application for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk and you shall not have any claim against our Company and/or the Issue Manager, Sponsor and Placement Agent.

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement offer document, including instructions on how you can exercise the option to withdraw your application or return the Placement Shares allotted to you, may be found in such supplementary or replacement offer document.

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15. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted to you pursuant to your application, to us, the Issue Manager, Sponsor and Placement Agent and any other parties so authorised by the foregoing persons.
16. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee company and/or a trustee applying for the Placement Shares through the Placement Agent or its designated sub-placement agent by way of an Application Form or such other forms of application as the Issue Manager, Sponsor and Placement Agent deem appropriate.
17. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
 - (a) irrevocably offer, agree and undertake to subscribe for the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price for each Placement Share and agree that you will accept such Placement Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and our Constitution;
 - (b) agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to our Company upon your application;
 - (c) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Issue Manager, Sponsor and Placement Agent in determining whether to accept your application and/or whether to allot any Placement Shares to you;
 - (d) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent residency status, CDP Securities Account number, share application amount, the outcome of your application (including the number of Placement Shares allotted to you pursuant to your application) and other personal data (“**Personal Data**”) to the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd (“**SCCS**”), the SGX-ST, CDP, our Company, the Issue Manager, Sponsor and Placement Agent and/or other authorised operators (collectively, the “**Relevant Persons**”), for the purpose of facilitating your application for the Placement Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct; (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Persons of the Personal Data of such beneficial owner(s) for the Purposes; (iii) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if the Relevant Persons consider them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and (iv) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the

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Relevant Parties shall be entitled to enforce this indemnity (collectively, the “**Personal Data Privacy Terms**”). If any Personal Data is transferred to a country or territory outside of Singapore, the Relevant Persons will ensure that the recipient of the Personal Data provides a standard of protection that is comparable to the protection which Personal Data enjoys under the laws of Singapore, and where these countries or territories do not have personal data protection laws which are comparable to that of Singapore, the Relevant Persons will enter into legally enforceable agreements with the recipients to ensure that they protect the Personal Data to the same standard as required under the laws of Singapore; and

- (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company and/or the Issue Manager, Sponsor and Placement Agent will infringe any such laws as a result of the acceptance of your application.
18. Our acceptance of applications will be conditional upon, among others, our Company and the Issue Manager, Sponsor and Placement Agent, being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for the listing and quotation of all our existing Shares, the Placement Shares and the Award Shares on Catalist;
 - (b) the Management and Sponsorship Agreement and the Placement Agreement referred to in the section entitled “Plan of Distribution – Management, Sponsorship and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and
 - (c) the Authority, the SGX-ST, acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority, has not issued a Stop Order under the SFA which directs that no further Shares to which this Offer Document relates be allotted or issued.
19. In the event that a Stop Order pursuant to Section 242 of the SFA is served by the Authority, the SGX-ST, acting as agent on behalf of the Authority (to the extent applicable) or other competent authority and applications to subscribe for the Placement Shares have been made prior to the Stop Order, and:
- (a) in the case where the Placement Shares have not been issued, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and our Company shall return (at your own risk) all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or
 - (b) in the case where the Placement Shares have been issued, the issue of the Placement Shares shall (as required by law) be deemed to be void, and our Company shall, within 14 days from the date of the Stop Order, return all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk), and

you shall not have any claims against our Company and/or the Issue Manager, Sponsor and Placement Agent.

This shall not apply where only an interim Stop Order has been served.

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20. In the event that an interim Stop Order in respect of the Placement Shares is served by the Authority, the SGX-ST, acting as agent on behalf of the Authority (to the extent applicable) or other competent authority, no Placement Shares shall be issued during the time when the interim Stop Order is in force.
21. The Authority, the SGX-ST, acting as agent on behalf of the Authority (to the extent applicable) or other competent authority is not able to serve a Stop Order in respect of the Placement Shares if the Placement Shares have been issued and listed for quotation on a securities exchange and trading in the Placement Shares has commenced.
22. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST's website (<http://www.sgx.com>) and through a paid advertisement in one or more major English language newspaper(s) in Singapore.
23. We will not hold any application in reserve.
24. We will not allot Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.
25. Additional terms and conditions for applications by way of the Application Form are set out in the section entitled "Additional Terms and Conditions for Application using Application Form" below.
26. All payments in respect of any application for the Placement Shares and any refund shall be made in S\$.
27. No person in any jurisdiction outside Singapore receiving this Offer Document or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for any Placement Shares unless such offer or invitation could lawfully be made without compliance with any regulatory requirements in those jurisdictions.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATION USING APPLICATION FORM

You shall make an application by way of an Application Form on and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out elsewhere in Appendix E to this Offer Document as well as the Constitution of our Company.

1. Your application must be made using the Application Form for the Placement Shares accompanying and forming part of this Offer Document, or in such other manner as the Issue Manager, Sponsor and Placement Agent may in their absolute discretion deem appropriate. **ONLY ONE (1) APPLICATION** should be enclosed in each envelope.

APPENDIX E – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

We draw your attention to the detailed instructions contained in the Application Form and this Offer Document for the completion of the Application Form which must be carefully followed. **Our Company and the Issue Manager, Sponsor and Placement Agent reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn up remittances or improper form of remittances or remittances which are not honoured upon their first presentation.**

2. Your Application Form must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Form, except those under the heading “**FOR OFFICIAL USE ONLY**”, must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full names as they appear in your identity card (if applicants have such identification documents) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your constitution or equivalent constitutive documents must be lodged with our Company’s Share Registrar. Our Company and/or the Issue Manager, Sponsor and Placement Agent reserve the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You, whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted, will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations.

If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

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7. The completed and signed Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name, Securities Account number and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate postage (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to PASTURE HOLDINGS LTD. C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES, 80 ROBINSON ROAD, #02-00, SINGAPORE 068898**, to arrive by **12.00 noon on 7 June 2023 or such other time as our Company may, in consultation with the Issue Manager, Sponsor and Placement Agent, in its absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of the Placement Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**PASTURE SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", with your name, Securities Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. We reserve the right to reject any application which is accompanied by combined Banker's Draft or Cashier's Order for different CDP Securities Accounts. No acknowledgement or receipt will be issued by our Company or the Issue Manager, Sponsor and Placement Agent for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination of the Management and Sponsorship Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post at your own risk within five (5) Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of a Stop Order, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the Stop Order.
9. Capitalised terms used in the Application Form and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Issue Manager, Sponsor and Placement Agent and/or any party involved in the Placement, and if, in any event our Company and/or the Issue Manager, Sponsor and Placement Agent do not receive your Application Form, you shall have no claim whatsoever against our Company, the Issue Manager, Sponsor and Placement Agent and/or any party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.

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11. By completing and delivering the Application Form, you agree that:

- (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 7 June 2023** or such other time or date as our Company may, in consultation with the Issue Manager, Sponsor and Placement Agent in their absolute discretion, decide:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
- (b) neither our Company, the Issue Manager, Sponsor and Placement Agent nor any other party involved in the Placement will be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
- (c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (d) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
- (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (f) in making your application, reliance is placed solely on the information contained in this Offer Document and none of our Company, the Issue Manager, Sponsor and Placement Agent nor any other person involved in the Placement shall have any liability for any information not so contained;
- (g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;
- (h) for the purposes of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of our Company, of your Personal Data to the Relevant Parties in accordance with the Personal Data Privacy Terms;
- (i) you irrevocably agree and undertake to subscribe for the number of the Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted to you in respect of your application. In the event that our Company and the Issue Manager, Sponsor and Placement Agent decide to allot any smaller number of the Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final; and

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- (j) you irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue of the Placement Shares that may be allotted to you.
12. By completing and delivering the Application Form, you declare that you do not possess more than one (1) individual direct Securities Account with CDP.

APPENDIX F – SUMMARY OF OUR CONSTITUTION

The discussion below provides information about certain provisions of our Constitution and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Constitution. Where portions of our Constitution are reproduced below, defined terms bear the meanings ascribed to them in our Constitution. Our Constitution is a document available for inspection.

The following summarises certain provisions of our Constitution relating to:

- (a) the power of a Director to vote on a proposal, arrangement or contract in which he is interested:

Regulation 106(2)

Every Director and any relevant officer of the Company (to whom Section 156 of the Act applies) shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests in transactions or proposed transactions with the Company or of any office or property held by him which might create duties or interests in conflict with his duties or interests as a Director or such officer (as the case may be). Notwithstanding such disclosure, a Director shall not vote in regard to any transaction or arrangement or any other proposal whatsoever in which he has directly or indirectly a personal material interest. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

- (b) the remuneration of our Directors:

Regulation 103

- (1) *The fees of the Directors shall be determined from time to time by an Ordinary Resolution of the Company and such fees shall (unless such resolution otherwise provides) not be increased except pursuant to an Ordinary Resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall (unless such resolution otherwise provides) be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.*
- (2) *Any Director who holds any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside the scope of his ordinary duties as a Director, may, subject to the Act, be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this regulation. Such extra remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary, or, except in the case of a non-executive Director, by a percentage of profits, or by any or all of those modes.*
- (3) *The fees (including any remuneration under regulation 103(2) above) in the case of a non-executive Director shall comprise: (i) fees which shall be a fixed sum and/or (ii) such fixed number of shares in the capital of the Company, and shall not at any time be by commission on, or percentage of, the profits or turnover. Salaries payable to Executive Directors may not include a commission on, or percentage of turnover.*

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To the extent that regulation 106(2) of our Constitution is applicable, the interested Director may not vote on his remuneration or be counted in the quorum at a meeting in relation to any such resolution on which he is debarred from voting.

- (c) the borrowing powers exercisable by our Directors:

Regulation 122

Subject to the Statutes and the provisions of this Constitution, the Directors may at their discretion exercise all powers of the Company to borrow or otherwise raise money, to mortgage, charge or hypothecate all or any of the property or business of the Company including any uncalled or called but unpaid capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third-party.

- (d) the retirement or non-retirement of a Director under an age limit requirement:

There are no specific provisions in our Constitution relating to the retirement or non-retirement of a Director under an age limit requirement.

- (e) the shareholding qualification of a Director:

Regulation 102

A Director need not be a Member and shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member shall nevertheless be entitled to receive notice of, attend and speak at all general meetings of the Company.

- (f) the rights, preferences and restrictions attaching to each class of shares:

Regulation 8

Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting pursuant to Section 161 of the Act but subject thereto and to regulations 68 and 69A, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit. Subject to such limitation thereof as may be prescribed by the Exchange, any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors Provided always that:

- (a) *no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the Company in general meeting;*
- (b) *(subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the listing rules of the Exchange) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of regulation 68(1) with such adaptations as are necessary shall apply; and*

APPENDIX F – SUMMARY OF OUR CONSTITUTION

- (c) *any other issue of shares, the aggregate of which would exceed the limits referred to in regulation 68(2), shall be subject to the approval of the Company in general meeting.*

Regulation 69A

Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of this Constitution and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

Regulation 75

Any general meeting at which it is proposed to pass Special Resolutions or (save as provided by the Statutes) a resolution of which special notice has been given to the Company pursuant to the Act, shall be called by at least twenty-one (21) clear days' notice in writing. An annual general meeting or any other general meeting shall be called by at least fourteen (14) clear days' notice in writing. The notice must specify the place, the day and the hour of the meeting. Such notice shall be given in the manner hereinafter mentioned to all Members other than those who are not under the provisions of this Constitution and the Act entitled to receive such notices from the Company. The period of notice shall be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held. So long as the shares in the Company are listed on the Exchange, at least fourteen (14) days' notice of every general meeting shall be given by advertisement in the daily press and in writing to the Exchange (and where applicable, to each other securities exchange upon which the shares in the Company are listed).

Subject to the provisions of the Act and the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), notwithstanding that it has been called by a shorter notice than that specified above, a general meeting shall be deemed to have been duly called if it is agreed:

- (a) *in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and*
- (b) *in the case of an extraordinary general meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent (95%) of the total voting rights of all the Members having a right to vote at that meeting.*

Provided also that the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

Regulation 90

- (1) *Each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*

APPENDIX F – SUMMARY OF OUR CONSTITUTION

- (2) *Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to regulation 9, every Member who is present in person or by proxy, attorney or corporate representative (as applicable) shall have one (1) vote for every share which he holds or represents, Provided always that: (a) where a Member is represented by one (1) or more proxies and the voting is conducted by way of a poll, the provisions of regulation 94 shall apply; and (b) where a Member who is not a relevant intermediary is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Member, or failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and (c) where a Member who is a relevant intermediary is represented by two (2) or more proxies, each proxy shall be entitled to vote on a show of hands.*
- (3) *For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at seventy-two (72) hours (or any such time permitted under the Statutes) before the time of the relevant general meeting as certified by the Depository to the Company.*

Regulation 157

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted by the Act, (a) all dividends shall be declared and paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and (b) all dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. For the purposes of this regulation, no amount paid or credited as paid on a share in advance of a call shall be treated as paid on the share.

Regulation 192

If the Company shall be wound up (whether the liquidation is voluntary under supervision or by the Court), the liquidator may, with the sanction of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company, whether or not the assets shall consist of property of one (1) kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one (1) or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members, but if any division is resolved otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to Section 178 of the Insolvency, Restructuring and Dissolution Act 2018. A Special Resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any shares or other consideration receivable by the liquidator amongst the Members otherwise than in accordance with their existing rights; and any such determination shall be binding upon all the Members subject to the right of dissent and consequential rights conferred by the said Section.

APPENDIX F – SUMMARY OF OUR CONSTITUTION

- (g) any change in capital:

Regulation 8

Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting pursuant to Section 161 of the Act but subject thereto and to regulations 68 and 69A, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit. Subject to such limitation thereof as may be prescribed by the Exchange, any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors Provided always that:

- (a) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the Company in general meeting;*
 - (b) (subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the listing rules of the Exchange) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of regulation 68(1) with such adaptations as are necessary shall apply; and*
 - (c) any other issue of shares, the aggregate of which would exceed the limits referred to in regulation 68(2), shall be subject to the approval of the Company in general meeting.*
- (h) any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law:

Regulation 11

If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply,

APPENDIX F – SUMMARY OF OUR CONSTITUTION

Provided always that:

- (a) the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll, but where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting; and*
- (b) where all the issued shares of the class are held by one (1) person, the necessary quorum shall be one (1) person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.*

The foregoing shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

- (i) any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates:*

Regulation 168

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so forfeited, shall revert to the Company. However, the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividends or moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date such dividend or other moneys are first payable. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends or moneys, howsoever and whatsoever.

APPENDIX G – DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the more important rights and privileges of Shareholders conferred by the laws of Singapore and our Constitution. These statements summarise the material provisions of our Constitution, but are qualified in its entirety by reference to our Constitution and the laws of Singapore.

The statements below provide, amongst others, a description of Shareholders' voting rights, restrictions on the transferability of shareholdings and Shareholders' rights to share in any surplus in the event of liquidation, and provides information about our share capital.

ORDINARY SHARES

Our Company currently only has one (1) class of Shares, namely, ordinary Shares.

We may, subject to the provisions of the Companies Act and the Catalist Rules, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our own ordinary shares.

We may only issue Shares with prior approval of our Shareholders at a general meeting.

Our Shareholders may by ordinary resolution give our Directors authority to allot and issue Shares and/or convertible securities in our Company. Thereafter, Shares and/or convertible securities which may be issued at any time and from time to time to such persons and on such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit. The maximum number of Shares to be issued upon conversion is determinable at the time of the issue of such convertible securities (whether by way of rights, bonus or otherwise). The aggregate number of Shares to be issued (including Shares to be issued pursuant to such convertible securities) must not exceed 100.0% of the issued share capital of our Company, of which the aggregate number of Shares (including Shares to be issued pursuant to such convertible securities) other than on a *pro rata* basis to existing Shareholders shall not exceed 50.0% of the issued share capital of our Company (the percentage of issued share capital being based on the issued share capital at the time of passing of the resolution excluding treasury Shares and subsidiary holdings, and after adjusting for new Shares arising from the conversion of any convertible securities, exercise of share options or vesting of share awards which are outstanding or subsisting at the time such authority is given and for any subsequent bonus issue, consolidation or subdivision of Shares). Unless revoked or varied by our Shareholders at a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

SHAREHOLDERS

Only persons who are registered in our register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the Depositors (as defined in the SFA) in the Depository Register maintained by CDP for our Shares, are recognised as Shareholders.

We will not recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder or the person whose name is entered in the depository register for that Share, except as otherwise required by law. We may close the register of Shareholders for any time or times if we provide the SGX-ST with at least five (5) clear Market Days' notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We would typically close the register to determine Shareholders' entitlement to receive dividends and other distributions.

APPENDIX G – DESCRIPTION OF OUR SHARES

GENERAL MEETINGS OF SHAREHOLDERS

We are required to hold an annual general meeting every year and within four (4) months from the end of our financial year. Our Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total number of paid-up Shares carrying the right to vote at general meetings (disregarding paid-up Shares held as treasury shares) request in writing that such a meeting be held. In addition, two (2) or more Shareholders holding not less than 10.0% of our issued share capital (excluding treasury shares) may call a meeting.

Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring the affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors.

A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, such as the voluntary winding up of our Company, amendments to our Constitution, a change of our corporate name and a reduction in our share capital.

Ordinary resolutions generally require at least 14 clear days' notice in writing. Our Constitution defines "clear days" as calendar days exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given. For so long as our Shares are listed on Catalist, at least 14 clear days' notice of any general meeting shall be given in writing to the SGX-ST and by advertisement in the daily press. We must give at least 21 clear days' notice in writing for every general meeting convened for the purpose of passing a special resolution. The notice must be given to every Shareholder holding Shares conferring the right to attend and vote at the meeting and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business. All general meetings must be held in Singapore.

VOTING RIGHTS

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 72 hours before the general meeting. For the purpose of determining the number of votes which a Shareholder may cast at any general meeting on a poll, a Shareholder who is an account holder directly with CDP or a Depository Agent, or his proxy, is deemed to hold or represent that number of Shares entered against his name in the Depository Register maintained with CDP 72 hours before the time of the relevant general meetings, as certified by CDP to us.

Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution and the Companies Act:

- (a) on a show of hands, every Shareholder present in person or by proxy shall have one (1) vote (provided that in the case of a Shareholder who is not a relevant intermediary (as defined in Section 181(6) of the Companies Act) is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Shareholder or, failing such determination, by the chairman of the meeting (or by a person authorised by the chairman) shall be entitled to vote, and each proxy appointed by a Shareholder who is a relevant intermediary shall have one (1) vote; and
- (b) on a poll, every Shareholder present in person or by proxy shall have one (1) vote for each Share which he holds or represents.

APPENDIX G – DESCRIPTION OF OUR SHARES

A Shareholder who is not a relevant intermediary may appoint not more than two (2) proxies to attend, speak and vote at the same general meeting. A Shareholder who is a relevant intermediary may appoint more than two (2) proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder.

Under our Constitution, if we are listed on a stock exchange and if required by the listing rules of the stock exchange, all resolutions at general meetings must be voted on by poll (unless such requirement is waived by the stock exchange). In the event voting by poll is not required by the listing rules of a stock exchange, a poll may nevertheless be demanded in certain circumstances, including:

- (a) by the chairman of the meeting;
- (b) by at least two (2) Shareholders present in person or by proxy and entitled to vote; or
- (c) by any Shareholder(s) present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting.

Under the Catalist Rules, all resolutions at general meetings shall be voted by poll. In the case of a tied vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

TRANSFER OF SHARES

Our Board of Directors may decline to register any transfer of our Shares which are not fully paid or Shares on which we have a lien. Our Board of Directors may also decline to register any instrument of transfer unless, amongst others, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. Shares may be transferred by a duly signed instrument of transfer in any form approved by our Directors and the SGX-ST. There is no restriction on the transfer of fully paid Shares except where required by law or the Catalist Rules or by-laws of the SGX-ST. A Shareholder may transfer any Shares held through the SGX-ST book entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

We will replace lost or destroyed certificates for Shares if we are properly notified and if the applicant pays a fee (not exceeding S\$2.00) and furnishes any evidence and indemnity that our Board of Directors may require.

MINORITY RIGHTS

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order as they think fit, upon application by any Shareholder of our Company, to remedy any of the following situations:

- (a) our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of our Shareholders, including the applicant; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of our Shareholders, including the applicant.

APPENDIX G – DESCRIPTION OF OUR SHARES

Singapore courts have wide discretion as to the relief they may grant and that relief is in no way limited to the relief listed in the Companies Act. Without prejudice to the foregoing, Singapore courts may, amongst others:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by our Company and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital; or
- (e) provide that our Company be wound up.

LIMITATIONS ON RIGHTS TO HOLD OR VOTE SHARES

Singapore law and our Constitution do not impose any limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights attached to our Shares.

DIVIDENDS

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. Our Board of Directors may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profits. All dividends we pay are *pro rata* in amount to our Shareholders in proportion to the amount paid-up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provide otherwise.

Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address appearing in our register of members or (as the case may be) the Depository Register. However, our payment to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of the payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

BONUS AND RIGHTS ISSUE

Our Board of Directors may, with the approval from our Shareholders at a general meeting, capitalise any sums standing to the credit of any of our reserve funds, accounts or other undistributable reserve or any sum standing to the credit of profit and loss account and distribute the same as bonus Shares credited as paid-up to our Shareholders in proportion to their shareholdings.

Our Board of Directors may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms as our Board of Directors shall think fit.

APPENDIX G – DESCRIPTION OF OUR SHARES

Our Board of Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any securities exchange upon which our Shares are listed.

LIQUIDATION OR OTHER RETURN OF CAPITAL

If our Company liquidates or in the event of any other return of capital, holders of the Shares will be entitled to participate in any surplus assets in proportion to their shareholdings.

SUBSTANTIAL SHAREHOLDERS

Under the SFA, a person has a substantial shareholding in our Company if he has an interest (or interests) in one (1) or more voting shares (excluding treasury shares) in our Company and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares) in our Company.

The SFA requires our Substantial Shareholders, or if they cease to be our Substantial Shareholders, to give notice in writing to us of particulars of the voting shares in our Company in which they have or had an interest (or interests) and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest.

In addition, the deadline for a Substantial Shareholder to make disclosure to our Company under the SFA is two (2) business days after he becomes aware:

- (a) that he is or (if he had ceased to be one) had been a Substantial Shareholder;
- (b) of any change in the percentage level in his interest; or
- (c) that he had ceased to be a Substantial Shareholder,

there being a conclusive presumption of a person being “aware” of a fact or occurrence at the time at which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Following the above, we will announce or disseminate the information stated in the notice to the SGX-ST as soon as practicable and, in any case, no later than the end of the Singapore business day following the day on which we received the notice.

“Percentage level”, in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in our Company in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares (excluding treasury shares) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

The Companies Act and the SFA provide that a person who has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, a voting share is regarded as having an interest in such share, even if such authority is, or is capable of being made, subject to restraint or restriction in respect of particular voting shares.

APPENDIX G – DESCRIPTION OF OUR SHARES

TAKE-OVERS

The Companies Act, the SFA and the Take-over Code regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent a future take-over or change in control of our Company. Any person acquiring an interest resulting in him, either on his own or together with parties acting in concert with him, holding 30.0% or more of our voting shares, or, such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of our voting shares and acquires (either on his own or together with parties acting in concert with him) more than 1.0% of our voting shares within any six (6)-month period, must extend a take-over offer for the remaining voting shares in accordance with the provisions of the Take-over Code.

“Parties acting in concert” comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

- (a) the following companies:–
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company and its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company and its pension funds and employee share schemes;
- (d) a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser including a stockbroker, with its client in respect of shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for the company may be imminent;

APPENDIX G – DESCRIPTION OF OUR SHARES

- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Subject to certain exceptions, a mandatory offer for consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror for voting rights if the offeree company during the offer period and within six (6) months prior to its commencement.

Under the Take-over Code, where effective control of a public company incorporated in Singapore is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the take-over offer must be given sufficient information, advice and time to consider and decide on the offer.

INDEMNITY

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, we will indemnify our Board of Directors and officers against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto.

We may not indemnify directors and officers against any liability which by law would otherwise attach to them in respect of his own negligence, wilful default, breach of duty, breach of trust or fraudulent act of which they may be guilty in relation to our Company.

APPENDIX H – DESCRIPTION OF SINGAPORE LAW RELATING TO TAXATION

The summary below of certain taxes in Singapore is of a general nature. It is based on laws, regulations, interpretations, rulings and decisions presently in effect and available as at the Latest Practicable Date. These laws, regulations, interpretations, rulings and decisions, however, may change at any time, and any change could be retrospective to the date of issuance of our Shares. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts of Singapore could later disagree with the explanations or conclusions set out below.

The summary is not intended to constitute a complete analysis of the taxes mentioned. It is not intended to be and does not constitute legal or tax advice.

Prospective investors of our Shares should consult their tax advisers concerning the tax consequences of owning and disposing of our Shares. Neither our Company, our Directors nor any other persons involved in the Placement and the Listing accepts responsibility for any tax effects or liabilities resulting from the subscription, holding or disposal of our Shares.

SINGAPORE TAXATION

Singapore Income Tax

Corporate Income Tax

A company is regarded as a tax resident in Singapore if the control and management of its business is exercised in Singapore. “Control and management” is defined as the making of decisions on strategic matters, such as those concerning the company’s policy and strategy. Generally, the location of a company’s board of directors’ meetings where strategic decisions are made determines where the control and management of that company is exercised. However, under certain scenarios, holding board meetings in Singapore may not be sufficient and other factors will be considered to determine if the control and management of the business is indeed exercised in Singapore.

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:

- (a) income accruing in or derived from Singapore; or
- (b) income derived from outside Singapore (i.e. foreign-sourced income) which is received or deemed received in Singapore, unless otherwise exempted.

A non-Singapore tax resident corporate taxpayer is liable to Singapore income tax on income accruing in or derived from Singapore. A non-Singapore tax resident corporate taxpayer is also liable to Singapore income tax on income derived from outside Singapore which is received or deemed to have been received in Singapore but generally only where such taxpayer is considered to be operating in or from Singapore.

Foreign-sourced income is deemed to be received in Singapore when it is:

- (a) remitted to, transmitted or brought into Singapore;

APPENDIX H – DESCRIPTION OF SINGAPORE LAW RELATING TO TAXATION

(b) used to pay off any debt incurred in respect of a trade or business carried on in Singapore; or

(c) used to purchase any movable property brought into Singapore.

Foreign-sourced income in the form of branch profits, dividends and service fee income (“**specified foreign income**”) received or deemed received in Singapore by a Singapore tax resident company are exempted from Singapore tax provided that the following qualifying conditions are met:

(a) such income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which such income is received;

(b) at the time such income is received in Singapore by the person resident in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which such income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is at least 15.0%; and

(c) the Comptroller of Income Tax (the “**Comptroller**”) is satisfied that the tax exemption would be beneficial to the person resident in Singapore who is receiving or deemed to be receiving the specified foreign income.

The prevailing corporate income tax rate in Singapore is 17.0% with the first S\$200,000 of chargeable income of a company being partially exempt from tax as follows:

(a) 75.0% of the first S\$10,000 of chargeable income; and

(b) 50.0% of the next S\$190,000 of chargeable income.

New companies will also, subject to certain conditions and exceptions, be eligible for tax exemption for each of the company’s first three (3) years of assessment as follows:

(a) 75.0% of the first S\$100,000 of chargeable income; and

(b) 50.0% of the next S\$100,000 of chargeable income.

The remaining chargeable income (after the tax exemption scheme for new companies or the partial tax exemption scheme for companies) will be fully taxable at the prevailing corporate tax rate.

Individual Income Tax

Individual taxpayers who are Singapore tax residents are subject to tax on income accrued or derived from Singapore. All foreign-sourced income (except for income received through a partnership in Singapore) received in Singapore by tax resident individuals will be exempt from tax. Certain Singapore-sourced investment income (such as interest) derived by tax resident individuals from certain financial instruments (other than income derived through a partnership in Singapore or from the carrying on of a trade, business or profession) will be exempt from tax.

APPENDIX H – DESCRIPTION OF SINGAPORE LAW RELATING TO TAXATION

An individual is regarded as a tax resident in Singapore in a “Year of Assessment” (which refers to the year in which tax is calculated and charged for income earned in the preceding year) if, in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Singapore tax resident individuals are subject to tax at the progressive resident rates, ranging from 0% to 24.0% with effect from Year of Assessment 2024, after deductions of qualifying personal reliefs where applicable.

Non-resident individuals are generally subject to Singapore income tax on income accrued in or derived from Singapore at a flat rate of 24.0% with effect from Year of Assessment 2024 except employment income and certain income taxable at reduced withholding rates. Singapore employment income of non-resident individuals is taxed at 15.0%, or at the progressive resident rates, whichever yields a higher tax. A non-resident individual (other than a director) exercising a short-term employment in Singapore for not more than 60 days may be exempt from tax in Singapore. All foreign-sourced income received in Singapore by an individual is exempt from Singapore income tax.

Dividend Distributions

Singapore adopted the one-tier corporate tax system from 1 January 2003. Under the one-tier corporate tax system, the tax paid by a Singapore resident company on its corporate profits is a final tax. Dividends payable by the Singapore resident company to its shareholders are exempt from Singapore income tax in the hands of the shareholders.

There is no withholding tax on the dividend payments to both resident and non-resident shareholders.

Foreign shareholders receiving tax exempt (one-tier) dividends are advised to consult their tax advisors to take into account the tax laws of their respective countries of residence and the applicability of any double taxation agreement which their country of residence may have with Singapore.

Capital Gains Tax

Singapore currently does not impose tax on capital gains. However, gains arising from the disposal of our Shares which are considered gains derived from any trade, business, vocation or profession carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature. Gains derived from the sale of our Shares may also be taxable if they constitute any gains or profits of any income nature under Section 10(1)(g) of the Income Tax Act 1947 of Singapore (“**Income Tax Act**”).

Any gains from the disposal of our Shares, if regarded as capital gains, are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature in Singapore, in which case, the disposal gains would be taxable.

Section 13W of the Income Tax Act provides certainty on the non-taxability of gains derived by a corporate taxpayer (“**the divesting company**”) from the disposal of ordinary shares during the period from 1 June 2012 to 31 December 2027 (both dates inclusive) where the divesting company has, at all times during a continuous period of at least 24 months ending on the date immediately prior to the date of disposal of such shares, legally and beneficially owned at least 20.0% of the ordinary shares in our company.

APPENDIX H – DESCRIPTION OF SINGAPORE LAW RELATING TO TAXATION

The exemption prescribed under Section 13W of the Income Tax Act is not applicable under the following scenarios:

- (a) the disposal(s) of shares the gains or profits of which are included as part of the income of an insurer company;
- (b) the disposal of shares before 1 June 2022 in a company that is:
 - (i) is in the business of trading Singapore immovable properties; or
 - (ii) principally carries on the activity of holding Singapore immovable properties, other than property development, where the shares are not listed on a stock exchange in Singapore or elsewhere;
- (c) the disposal of shares on or after 1 June 2022 not listed on a stock exchange in Singapore or elsewhere, being shares in a company that the Comptroller is satisfied:
 - (i) is in the business of trading immovable properties situated whether in Singapore or elsewhere;
 - (ii) principally carries on the activity of holding immovable properties situated whether in Singapore or elsewhere; or
 - (iii) has undertaken property development on Singapore or elsewhere, except where:
 - (A) the immovable property developed is used by the company to carry on its trade or business (including the business of letting immovable properties), not being a business mentioned in sub-paragraph (i); and
 - (B) the company did not undertake any property development in Singapore or elsewhere for a period of at least 60 consecutive months before the disposal of shares; or
- (d) the disposal(s) of shares by a partnership, limited partnership and limited liability partnership one or more of the partners of which is a company or are companies.

Shareholders who have adopted, or who are required to adopt, the SFRS(I) 9 (Financial Instruments) which replaces the existing SFRS(I) 1-39 (Financial Instruments – Recognition and Measurement) for accounting purposes may be required to recognise gains or losses in accordance with the provisions of SFRS(I) 9 regardless of any disposal of our Shares being made. If so, the gain or loss on the Shares may be taxed or allowed as a deduction for Singapore income tax purposes notwithstanding being unrealised.

Shareholders are advised to consult their accounting and tax advisers on the Singapore tax consequences on their subscription, purchase, holding and disposal of our Shares.

Bonus Shares

Any bonus shares received by our Shareholders are not taxable in Singapore.

APPENDIX H – DESCRIPTION OF SINGAPORE LAW RELATING TO TAXATION

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer for the transfer of our Shares at 0.2% on the consideration for, or market value of our Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary.

No stamp duty is payable if no dutiable document relating to the share transfer is executed or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the dutiable document which is executed outside Singapore is subsequently received in Singapore.

Stamp duty is not applicable to electronic transfers of our Shares through the scripless trading system operated by CDP, if such transfers are not pursuant to an instrument of transfer entered into.

Pursuant to recent amendments to the Stamp Duties Act 1929 of Singapore, stamp duty is payable on certain electronic instruments that effect a transfer of interest in our Shares, where such instruments are regarded or deemed to be executed in Singapore, or executed outside Singapore and received in Singapore. In this regard, an electronic instrument that is executed outside Singapore is received in Singapore if (a) it is retrieved or accessed by a person in Singapore; (b) an electronic copy of it is stored on a device (including a computer) and brought into Singapore; or (c) an electronic copy of it is stored on a computer in Singapore.

Goods and Services Tax

The sale of our Shares by a GST-registered investor belonging in Singapore through an SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any GST incurred by the investor in making this exempt supply is not recoverable from the Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore, the sale is a taxable supply subject to GST at zero-rate if certain conditions are met. Any GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business may be recoverable from the Comptroller of GST.

Services such as brokerage, handling and clearing charges rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the prevailing standard rate of 8.0% with effect from 1 January 2023. The GST rate will increase to 9.0% with effect from 1 January 2024. Similar services rendered to an investor belonging outside Singapore may be subject to GST at zero-rate if certain conditions are met.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with purchase and sale of our Shares.

Estate Duty

Singapore estate duty has been abolished with effect from 15 February 2008.

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

1. Name of the Plan

The Plan shall be called the “Pasture Performance Share Plan”.

2. Definitions

In this Plan, except where the context otherwise requires, the following words and expressions shall have the following meanings:

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| “Act” | : | The Companies Act 1867 of Singapore, as amended, modified or supplemented from time to time |
| “Adoption Date” | : | The date on which the Plan is adopted by our Company in general meeting |
| “Associate” | : | Shall have the meaning assigned to it in the Catalist Rules |
| “Auditors” | : | The auditors of our Company for the time being |
| “Award” | : | A contingent award of Shares granted under Rule 5 |
| “Award Date” | : | In relation to an Award, the date on which the Award is granted pursuant to Rule 5 |
| “Award Letter” | : | A letter in such form as the Committee shall approve an Award granted to a Participant by the Committee |
| “Board” | : | The board of directors of our Company |
| “Catalist Rules” | : | Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time |
| “CDP” | : | The Central Depository (Pte) Limited |
| “Committee” | : | The Remuneration Committee of our Company |
| “Company” | : | Pasture Holdings Ltd. |
| “Control” | : | The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of our Company |
| “Controlling Shareholder” | : | A person who holds directly or indirectly 15% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or in fact exercises Control over our Company |

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

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| “Group” | : | Our Company and its subsidiaries |
| “Group Employee” | : | An employee of our Group (including any Group Executive Director who meet the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4 |
| “Group Executive Director” | : | A director of our Company and/or any of its subsidiaries, as the case may be, who performs an executive function |
| “Non-Executive Director” | : | A director of the Company and/or any of its subsidiaries, as the case may be, other than one who performs an executive function |
| “Participant” | : | A Group Employee and/or Non-Executive Director who has been granted an Award |
| “Performance Condition” | : | In relation to an Award, the condition specified on the Award Date in relation to that Award |
| “Performance Period” | : | The period, as may be determined by the Committee at its discretion, during which the Performance Condition is satisfied |
| “Plan” | : | The Pasture Performance Share Plan, as the same may be modified or altered from time to time |
| “Release” | : | In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly |
| “Release Schedule” | : | In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period |
| “Released Award” | : | An Award which has been released in accordance with Rule 7 |

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

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| “Retention Period” | : | Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “Shareholders” | : | The registered holders for the time being of the Shares |
| “Shares” | : | Ordinary shares each in the capital of our Company |
| “Trading Day” | : | A day on which the Shares are traded on the SGX-ST |
| “Vesting” | : | In relation to the Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly |
| “Vesting Date” | : | In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7 |

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

Words importing the singular number shall include the plural number where the context so admits and *vice versa*. Words importing the masculine gender shall include the feminine and neuter genders where the context so admits.

Any reference to a time of day shall be a reference to Singapore time.

Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. Objectives of the Plan

- 3.1 The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of our Group and to give recognition to outstanding employees who have contributed to the growth of our Group.

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

3.2 The objectives of the Plan are as follows:

- (a) to retain key employees of our Group whose contributions are essential to the long-term growth and profitability of our Group;
- (b) to instil loyalty to, and a stronger identification by Participants with the long-term goals of, our Company;
- (c) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (d) to align the interests of Participants with the interests of our Shareholders.

4. Eligibility of Participants

4.1 The following persons shall be eligible to participate in the Plan at the absolute discretion of the Committee:

- (a) Group Employees who, as of the Award Date, have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in full time employment of our Group for a period of at least 12 months (or in the case of any Group Executive Director, such shorter period as the Committee may determine), provided that none shall be an undischarged bankrupt as at the Award Date;
- (b) Non-Executive Directors (including independent Directors) who, as of the Award Date, have attained the age of 21 years; and
- (c) subject to Rule 4.2, persons who are qualified under Rule 4.1(a) above and who are also Controlling Shareholders or Associates of Controlling Shareholders.

4.2 Controlling Shareholders and their Associates who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Plan provided that:

- (a) their participation; and
- (b) the actual or maximum number of Shares and terms of any Awards to be granted to them,

have been approved by independent shareholders of our Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares and terms of any Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of our Company for the participation in the Plan of a Controlling Shareholder of his Associate who is, at the relevant time, already a Participant.

4.3 Subject to the Act and any requirements of the SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

5. Grant of Awards

- 5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Employees as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance and potential for future development, his contribution to the success and development of our Group and the extent of effort with which the Performance Condition may be achieved within the Performance Period.
- 5.3 The Committee shall decide in relation to an Award:
- (a) the Participant;
 - (b) the Award Date;
 - (c) the Performance Period;
 - (d) the number of Shares which are the subject of the Award;
 - (e) the Performance Condition;
 - (f) the Release Schedule; and
 - (g) any other condition which the Committee may determine in relation to that Award.
- 5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:
- (a) in the event of a take-over offer being made for the Shares or if under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of our Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of our Company; or
 - (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition and/or Release Schedule should be waived, and shall notify the Participants of such change or waiver.
- 5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (a) the Award Date;

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

- (b) the Performance Period;
- (c) the number of Shares which are the subject of the Award;
- (d) the Performance Condition;
- (e) the Release Schedule; and
- (f) any other condition which the Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released 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 Release Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee 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 or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

6. Events Prior to the Vesting Date

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against our Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of our Group for any reason whatsoever; or
- (c) in the event of an order being made or a resolution passed for the winding-up of our Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant ceases to be in the employment of our Group by reason of:
 - (i) ill health, injury, death or disability (in each case, evidence to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

- (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within our Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within our Group, as the case may be;
 - (vi) (where applicable) his transfer of employment between companies within our Group;
 - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within our Group; or
 - (viii) any other event approved by the Committee;
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of our Company or its amalgamation with another company or companies being approved by Shareholders of our Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution being passed for the winding-up of our Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such award, the Remuneration will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

7. Release of Awards

7.1 Review of Performance Condition

- (a) As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Employee from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

If the Committee in its sole discretion determines that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Employee from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of our Company or our Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

- (b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1(a) and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- (c) Where new Shares are allotted upon the Vesting of any Award, our Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

7.2 Release of Award

Subject to the applicable laws, on Release of an Award, our Company has the discretion to determine whether to deliver the Shares to Participants by way of: (a) an issue of new Shares; (b) a transfer of Shares then held by our Company in treasury; or (c) a combination of (a) and (b). Shares which are allotted (as an issue of new Shares) or transferred (as a transfer of Shares then held by our Company in treasury) on the Vesting of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by our Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution of our Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

For the purposes of this Rule 7.3, “**Record Date**” means the date fixed by our Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

7.4 Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. Our Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. Limitation on the Size of the Plan

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of our Company, shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury shares) on the day preceding that date.
- 8.2 The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to Participants who are Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Plan.
- 8.3 The number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Plan.
- 8.4 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

9. Adjustment Events

9.1 If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested;
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan; and/or
- (c) the maximum number of Shares which may be issued pursuant to Awards granted under the Plan,

shall be adjusted by the Committee to give such Participant the same proportion of the equity capital of our Company as that to which he was previously entitled, in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made as if as a result, the Participant receives a benefit that a shareholder of our Company does not receive.

9.2 Unless the Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders of our Company (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Plan; or (d) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by our Company, shall not normally be regarded as a circumstance requiring adjustment.

9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

9.4 Upon any adjustment required to be made pursuant to this Rule 9, our Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

10. Administration of the Plan

10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board of our Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of the Awards to be granted to him or held by him.

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- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on our Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 10.5 The Committee shall ensure that the rules of the Plan are in compliance with the Act and the applicable laws and regulations in Singapore, including but not limited to, the Catalist Rules.

11. Notices and Communications

- 11.1 Any notice required to be given by a Participant to our Company shall be sent or made to the registered office of our Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by our Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between our Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of our Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of our Company or the law known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by our Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

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12. Modifications to the Plan

12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except when the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
- (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a) and (b), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award or which would be to the advantage of Participants (as the case may be) shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any provision of the Plan to amend or adjust any Award and without due compliance with the Catalist Rules and such other laws and regulations as may be applicable.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. Terms of Employment Unaffected

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. Duration of the Plan

14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of our Company's Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

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14.2 The Plan may be terminated at any time by the Committee, at the discretion of the Committee, or by resolution of our Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. Taxes

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. Costs and Expenses of the Plan

16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.

16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by our Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by our Company.

17. Disclaimer of Liability

Notwithstanding any provisions herein contained, the Committee and our Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however arising in any event, including but not limited to our Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1(c).

18. Disclosures in Annual Reports

The following disclosures (as applicable) will be made by our Company in its annual report for so long as the Plan continues in operation as required by the Catalist Rules:

- (a) the names of the members of the Committee administering the Plan;
- (b) the information required in the table below for the following Participants of the Plan:
 - (i) directors of our Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan who, in aggregate, represent 5.0% or more of the aggregate of the total number of Shares available under the Plan; and

APPENDIX I – RULES OF THE PASTURE PERFORMANCE SHARE PLAN

| Name of Participant | Aggregate number of Shares comprised in Awards which have been granted to the Participant during the financial year under review (including terms) | Aggregate number of Shares comprised in Awards which have been granted to such Participant since the commencement of the Plan to the end of the financial year under review | Aggregate number of Shares comprised in Awards which have been issued and/or transferred to such Participant pursuant to the Vesting of Awards under the Plan since the commencement of the Plan to the end of the financial year under review | Aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review |
|---------------------|--|---|--|--|
|---------------------|--|---|--|--|

(c) such other information as may be required by the Catalist Rules of the Act,

provided that if any of the above requirements is not applicable, an appropriate negative statement shall be included therein.

19. Disputes

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. Abstention from voting

Shareholders who are eligible to participate in the Plan must abstain from voting on any resolution relating to the Plan.

21. Governing Law

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and our Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. Contracts (Rights of Third Parties) Act 2001

No person other than our Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

APPENDIX J – LIST OF PRESENT AND PAST DIRECTORSHIPS

The list of present and past directorships of our Directors and Executive Officers in the last five (5) years up to the Latest Practicable Date, excluding that held in our Company, is as follows:

| Name | Present directorships | Past directorships |
|------------------|---|--|
| Directors | | |
| Lloyd Soong | <u>Group Companies</u> Pasture Pharma Pte Ltd Pacific Biosciences Pte Ltd Pasture PharmaHub Pte. Ltd. | <u>Group Companies</u> NIL |
| | <u>Other Companies</u> PMI Holdings Pte. Ltd. ¹ | <u>Other Companies</u> Pacific Pharmacy Pte. Ltd. Pasture Marketing Inc. |
| Claire Soong | <u>Group Companies</u> NIL | <u>Group Companies</u> NIL |
| | <u>Other Companies</u> PMI Holdings Pte. Ltd. ¹ | <u>Other Companies</u> NIL |
| Prashanth Palepu | <u>Group Companies</u> Pasture Pharma Pte Ltd Pacific Biosciences Pte Ltd Pasture PharmaHub Pte. Ltd. | <u>Group Companies</u> NIL |
| | <u>Other Companies</u> Plutus Star Holding Pte. Ltd. Pleasant Exports Pleasant Exports India Private Limited Medro Marketing and Consultancy Services Private Limited Yogiram Distributors Private Limited | <u>Other Companies</u> Pacific Pharmacy Pte. Ltd. Pleasant Exports (India) LLP |

¹ Mr. Lloyd Soong and Ms. Claire Soong are the non-executive directors of PMI Holdings Pte. Ltd., a Controlling Shareholder of our Company.

APPENDIX J – LIST OF PRESENT AND PAST DIRECTORSHIPS

| Name | Present directorships | Past directorships |
|---------------------------|--|---|
| Michael Lim | <u>Group Companies</u> | <u>Group Companies</u> |
| | NIL | NIL |
| | <u>Other Companies</u> | <u>Other Companies</u> |
| | Pristine Merit Sdn Bhd Nik Hussain Holdings Sdn Bhd Steadfast Project Management Sdn Bhd | Hitech Mining Asia Pte. Ltd. |
| Claudia Teo | <u>Group Companies</u> | <u>Group Companies</u> |
| | NIL | NIL |
| | <u>Other Companies</u> | <u>Other Companies</u> |
| | Harry Elias Partnership LLP The Hokkien Foundation Ren Ci Hospital | iX Biopharma Ltd. T5@Singapore Pte. Ltd. |
| Sharon Low | <u>Group Companies</u> | <u>Group Companies</u> |
| | NIL | NIL |
| | <u>Other Companies</u> | <u>Other Companies</u> |
| | KRZ Limited | NIL |
| Executive Officers | | |
| Lloyd Soong | <i>See above.</i> | <i>See above.</i> |
| Titus Cheong | <u>Group Companies</u> | <u>Group Companies</u> |
| | NIL | NIL |
| | <u>Other Companies</u> | <u>Other Companies</u> |
| | Cordlife Group Limited Mercy Relief Limited Sefina Asia Pte. Ltd. | Auravibe Investments LLP |

APPENDIX J – LIST OF PRESENT AND PAST DIRECTORSHIPS

| Name | Present directorships | Past directorships |
|--------------|------------------------|------------------------|
| Ho Huey-Yi | <u>Group Companies</u> | <u>Group Companies</u> |
| | NIL | NIL |
| | <u>Other Companies</u> | <u>Other Companies</u> |
| | NIL | NIL |
| Claire Soong | <i>See above.</i> | <i>See above.</i> |



PASTURE HOLDINGS LTD.

(Company Registration No.: 201731601W)

(Incorporated in the Republic of Singapore on 3 November 2017)