



PASTURE HOLDINGS LTD.

(Registration No: 201731601W)

Unaudited Condensed Consolidated Financial Statements

For the Full Year Ended 30 June 2023

PASTURE HOLDINGS LTD.

Table of Contents	Page
Consolidated statement of profit or loss and other comprehensive income	3
Statements of financial position	4
Statements of changes in equity	5
Consolidated statement of cash flows	6
Notes to the condensed consolidated financial statements	7
Other information required by Catalist Rule Appendix 7C	16

PASTURE HOLDINGS LTD.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year ended 30 June 2023

		<u>Group</u>		
		<u>(Unaudited)</u> <u>2023</u> US\$'000	<u>(Audited)</u> <u>2022</u> US\$'000	Change %
Revenue	5	9,704	15,131	(35.9)
Cost of sales		(7,978)	(10,691)	(25.4)
Gross profit		<u>1,726</u>	<u>4,440</u>	(61.1)
Other income and gains	6.1	342	140	144.3
Marketing and distribution costs		(180)	(53)	239.6
Administrative expenses	6.2	(2,984)	(1,618)	84.4
Other losses	6.1	(152)	(34)	347.1
Finance costs		(15)	(15)	1.6
(Loss) Profit before tax		<u>(1,263)</u>	<u>2,860</u>	NM
Income tax expense	7	(35)	(410)	(91.5)
(Loss) Profit, net of tax and total comprehensive (loss) income, attributable to owners of the Company		<u>(1,298)</u>	<u>2,450</u>	NM
(Loss)/Earnings per Share				
- Basic and diluted (cents)	9	<u>(1.15)</u>	<u>2.19</u>	

NM – Not meaningful

PASTURE HOLDINGS LTD.

Statements of Financial Position
As at 30 June 2023

		<u>Group</u>		<u>Company</u>	
		<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	11	345	1,673	–	–
Right-of-use assets		31	54	–	–
Investment in subsidiaries		–	–	137	137
Total non-current assets		<u>376</u>	<u>1,727</u>	<u>137</u>	<u>137</u>
<u>Current assets</u>					
Tax recoverable		14	–	–	–
Inventories		2,046	1,206	–	–
Trade and other receivables	4	307	444	233	2,100
Other non-financial assets		709	519	7	–
Cash and cash equivalents		4,194	3,676	2,919	85
Total current assets		<u>7,270</u>	<u>5,845</u>	<u>3,159</u>	<u>2,185</u>
Total assets		<u><u>7,646</u></u>	<u><u>7,572</u></u>	<u><u>3,296</u></u>	<u><u>2,322</u></u>
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	13	3,671	200	3,671	200
Retained earnings/(accumulated losses)		157	1,455	(1,259)	9
Total equity attributable to owners of the Company		<u>3,828</u>	<u>1,655</u>	<u>2,412</u>	<u>209</u>
<u>Non-current liabilities</u>					
Loans and borrowings, non-current	12	–	686	–	–
Lease liabilities, non-current		54	150	–	–
Total non-current liabilities		<u>54</u>	<u>836</u>	<u>–</u>	<u>–</u>
<u>Current liabilities</u>					
Income tax payable		–	416	–	–
Lease liabilities, current		95	111	–	–
Loans and borrowings, current	12	–	65	–	–
Other non-financial liabilities		3,234	1,804	–	–
Trade and other payables	4	435	2,685	884	2,113
Total current liabilities		<u>3,764</u>	<u>5,081</u>	<u>884</u>	<u>2,113</u>
Total liabilities		<u>3,818</u>	<u>5,917</u>	<u>884</u>	<u>2,113</u>
Total equity and liabilities		<u><u>7,646</u></u>	<u><u>7,572</u></u>	<u><u>3,296</u></u>	<u><u>2,322</u></u>

PASTURE HOLDINGS LTD.

Statements of Changes in Equity
Year ended 30 June 2023

<u>Group:</u>	Total equity US\$'000	Share capital US\$'000	Retained earnings US\$'000
Current year (unaudited):			
Opening balance at 1 July 2022	1,655	200	1,455
Changes in equity:			
Issue of share capital (Note 13)	3,709	3,709	–
Share issue expenses (Note 13)	(238)	(238)	–
Total comprehensive loss for the year	<u>(1,298)</u>	<u>–</u>	<u>(1,298)</u>
Closing balance at 30 June 2023	<u>3,828</u>	<u>3,671</u>	<u>157</u>
Previous year (audited):			
Opening balance at 1 July 2021	1,305	200	1,105
Changes in equity:			
Dividends payable (Note 8)	(2,100)	–	(2,100)
Total comprehensive income for the year	<u>2,450</u>	<u>–</u>	<u>2,450</u>
Closing balance at 30 June 2022	<u>1,655</u>	<u>200</u>	<u>1,455</u>
<u>Company:</u>	Total equity US\$'000	Share capital US\$'000	Retained earnings (Accumulated losses) US\$'000
Current year (unaudited):			
Opening balance at 1 July 2022	209	200	9
Changes in equity:			
Issue of share capital (Note 13)	3,709	3,709	–
Share issue expenses (Note 13)	(238)	(238)	–
Total comprehensive loss for the year	<u>(1,268)</u>	<u>–</u>	<u>(1,268)</u>
Closing balance at 30 June 2023	<u>2,412</u>	<u>3,671</u>	<u>(1,259)</u>
Previous year (audited):			
Opening balance at 1 July 2021	225	200	25
Changes in equity:			
Dividends payable (Note 8)	(2,100)	–	(2,100)
Total comprehensive income for the year	<u>2,084</u>	<u>–</u>	<u>2,084</u>
Closing balance at 30 June 2022	<u>209</u>	<u>200</u>	<u>9</u>

PASTURE HOLDINGS LTD.

Consolidated Statement of Cash Flows
Year ended 30 June 2023

	Group	
	(Unaudited) 2023 US\$'000	(Audited) 2022 US\$'000
<u>Cash flows from operating activities</u>		
(Loss) Profit before tax	(1,263)	2,860
Adjustments for:		
Interest income	(1)	–
Interest expense	15	15
Allowance for impairment for trade receivables	149	–
Gain from disposal of property, plant and equipment	(267)	(35)
Impairment of property, plant and equipment	2	–
Depreciation of property, plant and equipment	129	86
Depreciation of right-of-use assets	23	2
Operating cash flows before changes in working capital	(1,213)	2,928
Inventories	(840)	456
Trade and other receivables	(12)	53
Other non-financial assets	(190)	(143)
Trade and other payables	(150)	(1,088)
Other non-financial liabilities	1,430	385
Net cash flows (used in) from operations	(975)	2,591
Income taxes paid	(465)	(300)
Net cash flows (used in) from operating activities	(1,440)	2,291
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(61)	(218)
Proceeds from disposal of property, plant and equipment	1,525	35
Interest received	1	–
Net cash flows from (used in) investing activities	1,465	(183)
<u>Cash flows from financing activity</u>		
Dividends paid to equity owners	(2,100)	(1,500)
Repayment of loans and borrowings	(751)	(43)
Interest paid	(13)	(11)
Lease payments	(114)	(88)
Issuance of shares	3,709	–
Share issue expenses	(238)	–
Net cash flows from (used in) financing activities	493	(1,642)
Net increase in cash and cash equivalents	518	466
Cash and cash equivalents, statement of cash flows, beginning balance	3,676	3,210
Cash and cash equivalents, statement of cash flows, ending balance	4,194	3,676

PASTURE HOLDINGS LTD.

Notes to the Condensed Consolidated Financial Statements Year ended 30 June 2023

1. Corporate Information

Pasture Holdings Ltd (the “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.”. The Company was converted into a public limited company and the name of the Company was changed to “Pasture Holdings Ltd.” in connection therewith on 28 March 2023.

The structure of the Company was then reorganised with three subsidiaries under Pasture Holdings Ltd being Pasture Pharma Pte Ltd, Pasture PharmaHub Pte Ltd and Pacific Biosciences Pte Ltd, held by it. The principal activities of the subsidiaries are as below:

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

Please refer to the Company’s Offer Document dated 31 May 2023 for further details. The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited on 9 June 2023.

The registered office of the company is located at 24 Boon Lay Way, #01-73, Tradehub 21, Singapore 609969.

These unaudited consolidated financial statements as at and for the full financial year ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

2. Significant accounting policies

2.1 Basis of preparation

The condensed full year consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS(I) INT”) as issued by the Accounting Standards committee under ACRA. 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”). The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited consolidated financial statements for the year ended 30 June 2022 set out in the Company’s offer document dated 31 May 2023 (“Offer Document”).

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2, if any.

The full year consolidated financial statements are presented in United States dollars which is the Company’s functional currency, and all values are rounded to the nearest thousand (US\$’000), except when otherwise indicated.

PASTURE HOLDINGS LTD.

2. Significant accounting policies (cont'd)

2.2 New and amended standards adopted by the Group

A number of amendments to SFRS(I)s and the related SFRS(I) INT have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.3 Use of judgements and estimates

In preparing the condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are: (i) revenue recognition - agent versus principal considerations; (ii) allowance for impairment on inventories; (iii) expected credit loss allowance on trade receivables; (iv) income tax amounts; and (v) determination of functional currency impairment.

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

3. Segment and revenue information

3.1 Business segments

The Group has three business segments as follows:

- (a) Mask and Medical Supplies
- (b) Pharmaceutical Wholesale and Drop-Shipment
- (c) 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.

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker, in deciding how to allocate resources and assessing performance of the operating segments.

	<u>FY2023</u>		<u>FY2022</u>	
	US\$'000	%	US\$'000	%
Mask and medical supplies	45	0.5	5,773	38.2
Pharmaceutical wholesale and drop-shipment	9,645	99.4	9,337	61.7
Other services	14	0.1	21	0.1
Total revenue	9,704	100.0	15,131	100.0

PASTURE HOLDINGS LTD.

3 Segment information (cont'd)

3.1 Business segments (cont'd)

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

Profit or loss from operations and reconciliations

	<u>Pharmaceutical wholesale and drop-shipment</u> US\$'000	<u>Mask and medical supplies</u> US\$'000	<u>Other services</u> US\$'000	<u>Total</u> US\$'000
2023				
Revenue by segment				
Total revenue by segment	9,645	45	14	9,704
Cost of sales	(7,949)	(19)	(10)	(7,978)
Gross profit	<u>1,696</u>	<u>26</u>	<u>4</u>	<u>1,726</u>
Other income and gains	25	1	316	342
Marketing and distribution costs	(165)	(1)	(14)	(180)
Administrative expenses	(1,349)	(6)	(1,629)	(2,984)
Finance costs	(15)	–	–	(15)
Other losses	(152)	–	–	(152)
Profit (Loss) before tax	40	20	(1,323)	(1,263)
Income tax expense				(35)
Loss, net of tax and total comprehensive loss				<u>(1,298)</u>

	<u>Pharmaceutical wholesale and drop-shipment</u> US\$'000	<u>Mask and medical supplies</u> US\$'000	<u>Other services</u> US\$'000	<u>Total</u> 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	<u>1,426</u>	<u>3,006</u>	<u>8</u>	<u>4,440</u>
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 (Loss) before tax	465	2,432	(37)	2,860
Income tax expense				(410)
Profit, net of tax and total comprehensive income				<u>2,450</u>

PASTURE HOLDINGS LTD.

3 Segment information (cont'd)

3.1 Business segments (cont'd)

Assets and reconciliations

	<u>Pharmaceutical wholesale and drop-shipment</u> US\$'000	<u>Mask and medical supplies</u> US\$'000	<u>Other services</u> US\$'000	<u>Unallocated</u> US\$'000	<u>Total</u> US\$'000
2023					
Total assets for reportable segments ^(a)	2,264	86	3	–	2,353
Unallocated:					
Property, plant and equipment	–	–	–	345	345
Right-of-use assets	–	–	–	31	31
Cash and cash equivalents	–	–	–	4,194	4,194
Other non-financial assets	–	–	–	709	709
Total group assets	2,264	86	3	5,279	7,632

	<u>Pharmaceutical wholesale and drop-shipment</u> US\$'000	<u>Mask and medical supplies</u> US\$'000	<u>Other services</u> US\$'000	<u>Unallocated</u> US\$'000	<u>Total</u> 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.

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.

PASTURE HOLDINGS LTD.

3 Segment information (cont'd)

3.2 Geographical information

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Japan	5,937	6,377
Malaysia	3	4,252
Hong Kong	1,167	1,899
Canada	2,232	957
Singapore	160	572
United Kingdom	15	–
Others	190	1,074
Total revenue	<u>9,704</u>	<u>15,131</u>

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.

3.3 Major customers

Except for the major customers disclosed below, there is no other single customer that accounted for 10.0% or more of the Group's total revenue in FY2023 and FY2022.

Business segment	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Customer 1 Pharmaceutical wholesale and drop-shipment	5,460	5,987
Customer 2 Pharmaceutical wholesale and drop-shipment	1,184	–
Customer 3 Mask and medical supplies	–	4,237

4. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 30 June 2022.

	<u>Group</u>		<u>Company</u>	
	<u>(Unaudited)</u> <u>2023</u> US\$'000	<u>(Audited)</u> <u>2022</u> US\$'000	<u>(Unaudited)</u> <u>2023</u> US\$'000	<u>(Audited)</u> <u>2022</u> US\$'000
<i>Trade and other receivables (current)</i>				
Trade receivables	456	444	–	–
Other receivables	–	–	233	2,100
Allowance for impairment	(149)	–	–	–
	<u>307</u>	<u>444</u>	<u>233</u>	<u>2,100</u>
Add: Cash and cash equivalents	4,194	3,676	2,919	85
Total financial assets carried at amortised cost	<u>4,501</u>	<u>4,120</u>	<u>3,152</u>	<u>2,185</u>

PASTURE HOLDINGS LTD.

4. Financial assets and financial liabilities (cont'd)

	<u>Group</u>		<u>Company</u>	
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Trade and other payables (current)</i>				
Trade payables	435	585	192	13
Related parties	–	–	692	–
Ultimate parent company	–	2,100	–	2,100
	<u>435</u>	<u>2,685</u>	<u>884</u>	<u>2,113</u>
Add: Borrowings	–	751	–	–
Add: Lease liabilities	149	261	–	–
Total financial liabilities at amortised cost	<u>584</u>	<u>3,697</u>	<u>884</u>	<u>2,113</u>

5. Revenue

	<u>Group</u>	
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>2023</u>	<u>2022</u>
	US\$'000	US\$'000
Rendering of services	116	147
Sale of goods	9,588	14,984
Total revenue	<u>9,704</u>	<u>15,131</u>

All the contracts are less than 12 months in tenure. 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.

6. Profit before taxation

6.1 Breakdown and explanatory notes to Consolidated Statement of Profit or Loss

	<u>Group</u>	
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>2023</u>	<u>2022</u>
	US\$'000	US\$'000
Interest income	1	–
Impairment allowance on property, plant and equipment	(2)	–
Foreign exchange transaction gains (losses), net	22	(13)
Government grant income	35	103
Gain from disposal of property, plant and equipment	267	35
Inventories reversal (write-off)	2	(21)
Allowance for impairment for trade receivables	(149)	–
Other income	14	2
Net	<u>190</u>	<u>106</u>
Presented in profit or loss as:		
Other income and gains	342	140
Other losses	(152)	(34)
Net	<u>190</u>	<u>106</u>

PASTURE HOLDINGS LTD.

6. Profit before taxation (cont'd)

6.2 Administrative expenses

The major components and other selected components include the following:

	<u>(Unaudited)</u> <u>2023</u> US\$'000	<u>Group</u> <u>(Audited)</u> <u>2022</u> US\$'000
Depreciation of property, plant and equipment	129	86
Employee benefits expense	1,084	1,168
IPO expenses	<u>1,125</u>	<u>–</u>

6.3 Related party transactions

Other than disclosed elsewhere in the financial statements, the Group had transactions with related parties on terms agreed between the parties as follows:

	<u>(Unaudited)</u> <u>2023</u> US\$'000	<u>Group</u> <u>(Audited)</u> <u>2022</u> US\$'000
<u>Related parties:</u> ^(a)		
Revenue	(407)	(537)
Purchases	21	180
Commission expenses	<u>5</u>	<u>7</u>

(a) The related parties are entities in which a director; or a corporate shareholder of the Company has a significant controlling interest over the entity.

7. Income tax

The Group calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the consolidated statement of profit or loss are:

	<u>(Unaudited)</u> <u>2023</u> US\$'000	<u>Group</u> <u>(Audited)</u> <u>2022</u> US\$'000
<u>Current tax expense:</u>		
Current tax expense	–	427
Under (Over) adjustments in respect of prior periods	35	(17)
Total income tax expense	<u>35</u>	<u>410</u>

8. Dividend

	<u>Group and company</u>			
	<u>Rate per share – dollar</u>			
	<u>2023</u> US\$	<u>2022</u> US\$	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Interim exempt (1-tier) dividend payable	–	10.50	–	2,100
Total dividends payable in the year	<u>–</u>	<u>10.50</u>	<u>–</u>	<u>2,100</u>

PASTURE HOLDINGS LTD.

9. (Loss) Earnings per share

	<u>2023</u>	<u>Group</u>	<u>2022</u>
(Loss) Earnings per share, attributable to owners of the Company (in USD cent)	(1.15)		2.19
Weighted average number of ordinary shares per share computation	<u>113,205,479</u> ^(a)		<u>112,000,000</u> ^(b)

(a) the weighted average number of ordinary shares is computed based on 112,000,000 after Share split (see Note 13) and 20,000,000 new ordinary shares pursuant to the placement exercise in connection with the listing of the Company

(b) For comparative purposes, the weighted average number of shares is the pre-Placement share capital of 112,000,000 shares after adjusting for the Share split

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

10. Net Asset Value (“NAV”)

	<u>2023</u>	<u>Group</u>	<u>2022</u>	<u>2023</u>	<u>Company</u>	<u>2022</u>
Net assets (US\$'000)	3,828		1,655	2,412		209
NAV per share (in USD cents)	2.90		1.25	1.83		0.16
Number of ordinary shares	<u>132,000,000</u>	<u>132,000,000</u> ^(a)	<u>132,000,000</u>	<u>132,000,000</u>	<u>132,000,000</u> ^(a)	

(a) For comparative purposes, the computation of NAV is based on Company's post-Placement share capital of 132,000,000 for FY2022.

11. Property, plant and equipment

During the twelve months ended 30 June 2023, the Group acquired property, plant and equipment with an aggregate cost of US\$61,000 (30 June 2022: US\$424,000). The Group sold its leasehold property during the financial year at the sale price of US\$1.53 million, resulting in a gain on disposal of US\$268,000 (30 June 2022: US\$ NIL).

PASTURE HOLDINGS LTD.

12. Borrowings and Lease Liabilities

	<u>2023</u> <u>(Unaudited)</u> US\$'000	<u>Group</u> <u>2022</u> US\$'000
Lease liabilities	149	261
Loan and borrowings	–	751
	<u>149</u>	<u>1,012</u>

The property loan with the bank was repaid with the sale of the leasehold property. The Group has no bank borrowings as at 30 June 2023.

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 rates applied to lease liabilities recognised are 1.99% and 6% per annum for motor vehicle and office premises, respectively (2022: 1.99% and 6%).

13. Issued Share Capital

	<u>Group and company</u> Number of shares <u>issued</u>	Share <u>capital</u> US\$'000
Ordinary shares:		
At 1 July 2021, 30 June 2022	200,000	200
Share split	111,800,000	–
Issue of shares	20,000,000	3,709
Share issue expenses	–	(238)
Balance at 30 June 2023	<u>132,000,000</u>	<u>3,671</u>

The ordinary shares 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.

Pursuant to the issue and allotment of the 20,000,000 Placement Shares in connection with the listing of the Company, the resultant issued and paid-up share capital of the Company has increased to US\$3,671,000 comprising 132,000,000 Shares.

The Company did not have any outstanding options and convertibles, and there were no treasury shares or subsidiary holdings as at 30 June 2023 and 30 June 2022.

14. Subsequent events

There are no known subsequent events which may lead to adjustments to this set of financial statements.

Other information required by Catalist Rule Appendix 7C

1. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The statements of financial position of the Group and of the Company as at 30 June 2023 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the reporting year ended and certain explanatory notes have not been audited or reviewed.

- 1A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

a) **Updates on the efforts taken to resolve each outstanding audit issue.**

b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern

Not applicable.

2. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business**

Financial year ended 30 June 2023 ("FY2023") compared to the financial year ended 30 June 2022 ("FY2022")

Statement of Profit or Loss and Other Comprehensive Income

FY2023 vs FY2022

Revenue

Our revenues dropped by 35.9% from US\$15.1m to US\$9.7m, due to the decrease in sales in the Mask and Medical Supplies segment. The decrease was 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.

Notwithstanding, the Pharmaceutical wholesale and Drop-shipment segment reported a 3.3% increase from US\$9.3m to US\$9.6m as demand for oncology and vaccines and specialty products see steady growth.

Cost of sales

Cost of sales decreased by 25.4% from US\$10.7m to US\$7.9m mainly due to the decrease in the Mask and Medical Supplies segment. The lower than proportionate decrease in cost of sales as compared to the decrease in revenue is due to decrease in cost savings from the lower sales of masks. Cost of sales mainly comprised purchase costs, freight charges and packing charges.

Gross Profit

Gross profit dropped by 61.1% from US\$ 4.4m to US\$1.7m while gross profit margin declined from 29.3% in FY2022 to 17.8% in FY2023. 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.

Statement of Profit or Loss and Other Comprehensive Income (cont'd)

FY2023 vs FY2022

Operating Expenses

Marketing expenses increased by US\$127k from US\$53k to US\$180k mainly due to the costs incurred in the development of our pet health mobile application called *Furlife* and to some extent, increase in travelling expenses for client visits after easing of the COVID-19 travel restrictions.

Administrative expenses increased by US\$1.3m from US\$1.6m to US\$2.9m mainly due to the expenses incurred during our IPO where the Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited on 9 June 2023. The IPO expenses amounted to US\$1.1m after capitalization of US\$0.2m against the share capital. The remaining increase of US\$200k was mainly due to the increase in (a) depreciation of US\$60k, (b) repair and maintenance of US\$30k, (c) other professional fees US\$34k and (d) utilities of US\$18k.

Other Income and gains

There was a gain in disposal from the sale of our leasehold property of US\$0.3m in FY2023.

Other losses

There was an allowance of impairment on a trade receivable of US\$0.15m made in FY2023.

Loss after tax

Due to the IPO expenses incurred and the decrease in Mask and Medical Supplies segment revenue in FY2023, our net loss for FY2023 was US\$1.30m as compared to a profit after tax of US\$2.45m in FY2022.

Statement of Financial Position

Non-Current Assets

Non-current assets reduced from US\$1.73m as at 30 June 2022 to US\$376k as at 30 June 2023 due to the disposal of our leasehold property. The sale of the property amounted to US\$1.57m which resulted in net gain from sale of US\$0.3m.

Current Assets

Cash and cash equivalents increased by \$0.51m from US\$3.68m as at 30 June 2022 to US\$4.19m as at 30 June 2023 due to the contribution from the net proceeds from the sale of our leasehold property of US\$0.3m and the net proceeds from the IPO of US\$3.7m after having provided for the payment of dividends of US\$2.1m in November 2022.

Inventories increased by US\$0.84m from US\$1.21m as at 30 June 2022 to US\$2.05m as at 30 June 2023. Our inventories comprised mainly goods for resale for our pharmaceutical wholesale and drop-shipment. The increase in inventory level was mainly due to increase in orders from our customers near the end of FY2023 that were paid but not yet shipped out to our customers and were only subsequently delivered to them in FY2024.

Total Assets remained fairly constant at US\$7.65m as at 30 June 2023 as compared to US\$7.57m as at 30 June 2022.

Statement of Financial Position (cont'd)

Current and Non-Current Liabilities

Loans and borrowings had been reduced to zero from US\$751k as at 30 June 2022 due to the redemption of the property loan with the bank from the sale of our leasehold property. This resulted in the Company being debt free and free from any borrowings for the IPO.

Lease liabilities have also been reduced due to the monthly repayments of the lease of office space and motor vehicle.

Other non-financial liabilities increased by US\$1.43m from US\$1.80m as at 30 June 2022 to US\$3.23m as at 30 June 2023 due to the increase in contract liabilities on advances received from customers for performance obligations that were not satisfied as of the end of FY2023.

Trade and other payables decreased by US\$2.25m from US\$2.69m as at 30 June 2022 to US\$0.44m as at 30 June 2023 mainly due to the payment of FY2022 dividends to shareholders of US\$2.1m in November 2022.

No tax provision was recognized for FY2023 but a tax recoverable for FY2022 of US\$14k noted as at 30 June 2023.

Total Liabilities reduced by US\$2.1m from US\$5.9m as at 30 June 2022 to US\$3.8m as at 30 June 2023.

Statement of Cash Flows

The Group generated an operating loss before working capital changes of US\$1.2m. Net cash used in operating activities, inclusive of working capital changes was US\$1.44m. The net working capital outflow was mainly due to the following:

- (a) an increase in inventories of US\$0.8m;
- (b) an increase in other non-financial assets of US\$0.2m;
- (c) an increase in trade and other payables of US\$0.2m;
- (d) income tax paid of US\$0.5m partially offset by (e) as follows;
- (e) an increase in other non-financial liabilities of US\$1.4m

Net cash flows from investing activities of US\$1.47m was mainly due to sale of the leasehold property at the sale price of US\$1.53m, partially offset by the additions of plant and equipment.

Net cash flows from financing activities of US\$0.49m was due to proceeds from IPO net of IPO expenses amounting to US\$3.47m partially offset by dividends paid out to shareholders of US\$2.1m in November 2022.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

PASTURE HOLDINGS LTD.

4. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

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 improve in view of the following trends and developments:

- (a) Increasing healthcare expenditure in key markets where we operate and where we are looking to expand into
- (b) Growing ageing population in developed nations
- (c) Continued enhancements to medical and healthcare treatment and infrastructure in developing and emerging countries
- (d) Continuing demand and usage for masks and N95 respirators and medical consumables for segments such as public healthcare, private healthcare and medical institutions, hospitals, due to the mandatory requirements for masks in these settings
- (e) Rising interest in public tender for government stockpiles of medical supplies for usage in government healthcare institutions

Against the prevailing backdrop, the Group will continue to proactively manage and mitigate the impact of rising costs from increasing restrictions of 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; and inflationary pressures.

As disclosed in the Offer Document, the Group will be expanding our business through our partnerships with McKesson particularly in the Indo-Pacific and Middle East markets. We will also be leveraging our relationship with Palepu Pharma for India market.

5. **Dividend information**

(a) Any dividend declared for the current financial period on?

None.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

Interim tax exempt (1-tier) dividend of US\$10.50 per ordinary share

(c) The date the dividend is payable.

Not applicable.

(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

PASTURE HOLDINGS LTD.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

The Board has decided not to declare or recommend any dividend for FY2023 as the actual financial performance for FY2023 was below expectations. The Group also plans to conserve cash in view of the Group's expansion plans and increase in capital expenditure expected in FY2024.

7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

A general mandate was obtained from our shareholders pursuant to Rule 920(2) during the listing of our Group on 9 June 2023 ("IPT General Mandate"). Save as disclosed in the table below, there were no other interested person transactions above S\$100,000 entered into.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
Pasture Marketing Inc ^(a)	Wholly-owned by our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong	US\$407,000 Aggregate amounts paid by Pasture Marketing Inc for the purchase of pharmaceutical products from our Group	None
Pleasant Exports	An associate of a director of the Company, Prashanth Palepu	None	US\$21,000 Aggregate amounts paid to Pleasant Exports for the purchase of pharmaceutical products from our Group.

(a) Pasture Marketing Inc was sold to an unrelated third party on 10 November 2022 and is no longer an interested person of our Group with effect from 10 November 2022. This transaction took place prior to the listing of the Company on Catalist.

PASTURE HOLDINGS LTD.

8. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to Section 3 in Notes to the Condensed Consolidated Financial Statements.

9. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business segments**

Please refer to explanation in Paragraph 2 of Other Information Required by Catalist Rule Appendix 7C in this announcement.

10. **A breakdown of sales**

	<u>Group</u> <u>(Unaudited)</u> <u>2023</u> US\$'000	<u>(Audited)</u> <u>2022</u> US\$'000	Change %
Revenue reported for the first half year	4,337	10,405	(58.3)
Operating (loss) profit after tax reported for the first half year	(532)	2,581	NM
Revenue reported for the second half year	5,367	4,726	13.6
Operating (loss) profit after tax reported for the second half year	(766)	(131)	484.7

11. **A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<u>Group</u> <u>(Unaudited)</u> <u>2023</u> US\$'000	<u>(Audited)</u> <u>2022</u> US\$'000
<u>Ordinary shares</u>		
Tax exempt (1-tier) dividend payable	—	2,100
Total annual dividends payable in the year	—	2,100

12. **Confirmation pursuant to Rule 720(1) of the Catalist Rules**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

PASTURE HOLDINGS LTD.

- 13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Claire Soong	28	Daughter of our Executive Chairman and Chief Executive Officer, Mr. Lloyd Soong	Alternate Director to Lloyd Soong / Digital Marketing Manager (2021)	None

14. IPO net proceeds

	Amount in aggregate US\$'000	Utilized in FY2023 US\$'000	Amount Balance US\$'000
Use of proceeds			
Strengthening our existing business segments and diversification into new geographical market segments	742	–	742
Exploring opportunities in mergers and acquisitions, joint ventures and strategic alliances	1,187	–	1,187
General working capital purposes	342	–	342
Total	<u>2,271^(a)</u>	<u>–</u>	<u>2,271</u>

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

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

15. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A

The Company did not acquire or dispose of any shares in FY2023 which would require disclosure under Catalist Rule 706A.

BY ORDER OF THE BOARD

Soong Chin Kum Jonathan Lloyd

Executive Chairman and Chief Executive Officer

29 August 2023

PASTURE HOLDINGS LTD.

Pasture Holdings Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 9 June 2023. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This announcement has been reviewed by the Company's Sponsor. It has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this document.

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