

CIRCULAR DATED 31 JANUARY 2022

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

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in the issued share capital of Pacific Star Development Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward or inform of this Circular with the Notice of Extraordinary General Meeting (“**Notice**”) and the Proxy Form to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the issued share capital of the Company represented by physical share certificate(s), you should immediately inform the purchaser or transferee or the stockbroker, bank or agent through whom the sale or transfer was effected that this Circular, together with the Notice and the Proxy Form, may be accessed via the website of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Company’s website at https://www.pacificstar-dev.com/ir_announcements.html.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). The contact person for the Sponsor is Mr. David Yeong, at 1 Robinson Road #21-00, AIA Tower, Singapore 048542, telephone (65) 6232 3210.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

Due to the current COVID-19 restriction orders in Singapore, the shareholders of the Company (the “**Shareholders**”) will not be able to attend the Extraordinary General Meeting (“**EGM**”) in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) observing and/or listening to the proceedings via “live” audio-visual webcast or “live” audio-only stream; (b) submitting questions related to the resolutions to be tabled for approval in advance of the EGM; and (c) appointing the Chairman of the EGM as proxy to attend and vote on their behalf at the EGM. Please refer to the Notice of EGM dated 31 January 2022 for further information, including the steps to be taken by Shareholders to participate at the EGM.

Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change its EGM arrangements at short notice. Shareholders should check the Company’s website at the URL: https://www.pacificstar-dev.com/ir_announcements.html for the latest updates on the status of the EGM, if any.

PACIFIC STAR
DEVELOPMENT LIMITED
PACIFIC STAR DEVELOPMENT LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198203779D)

CIRCULAR TO SHAREHOLDERS

in relation to

- (I) THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY; AND**
- (II) THE PROPOSED LOAN FACILITY TO BE GRANTED BY CH BIOVEST PTE. LIMITED TO THE COMPANY**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	19 February 2022 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	22 February 2022 at 10.00 a.m.
Place of Extraordinary General Meeting	:	The EGM will be held by way of electronic means

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

- “2012 Code”** : The Code of Governance 2012 issued by the Monetary Authority of Singapore.
- “2018 Code”** : The Code of Governance 2018 issued by the Monetary Authority of Singapore.
- “AGM”** : The annual general meeting of the Company.
- “associate”** : (a) In relation to any Director, chief executive officer, substantial shareholder or controlling Shareholder (being an individual) would mean his immediate family, 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 any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) In relation to a substantial shareholder or a controlling Shareholder (being a company) would mean any company that is:
- (i) its subsidiary;
 - (ii) its holding company;
 - (iii) a subsidiary of its holding company; or
 - (iv) a company in the equity of which the substantial shareholder and/or one or more of the entities listed in sub-paragraphs (i) to (iii) above taken together (directly or indirectly) have an interest of 30% or more.
- “associated company”** : A company in which at least 20% but not more than 50% of its shares are held by the listed company or group.
- “Bank”** : United Overseas Bank (Malaysia) Bhd., the principal bank of PDD.
- “Board”** : The board of directors of the Company for the time being.
- “Catalist Rules”** : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time.
- “CH Biovest”** : CH Biovest Pte. Limited, a controlling shareholder of the Company.
- “CDP”** : The Central Depository (Pte) Limited.
- “Chief Executive Officer”** : The chief executive officer of the Company, who is also a Director, for the time being.
- “Circular”** : This circular to Shareholders dated 31 January 2022.
- “Companies Act”** : The Companies Act (Cap. 50) of Singapore, as may be modified from time to time.
- “Company”** : Pacific Star Development Limited.
- “Constitution”** : The constitution of the Company.

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“controlling shareholder”	:	A person who (a) holds directly or indirectly 15% or more of the total voting rights in the Company; or (b) in fact exercises control over the Company.
“COVID-19 Act”	:	The COVID-19 (Temporary Measures) Act 2020 (No. 14 of 2020) of Singapore, as may be amended or modified from time to time.
“COVID-19 Order”	:	The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as may be amended or modified from time to time.
“CPF”	:	Central Provident Fund.
“Directors”	:	The directors of the Company for the time being.
“EGM”	:	Extraordinary General Meeting of the Company to be held on 22 February 2022 at 10.00 a.m., the notice of which is set out in the Notice of EGM on pages N-1 to N-4 of this Circular.
“Exchange” or “SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Facility A”	:	The existing loan facility provided by the Bank to PDD. As at the Latest Practicable Date, a fixed loan with an aggregate sum of RM 147,410,228 (including principal and interest) and an overdraft facility with an aggregate sum of RM 8,008,138 (including principal and interest) are owed by PDD to the Bank.
“FY2020”	:	The financial year ended 30 June 2020.
“FY2021”	:	The financial year ended 30 June 2021.
“Group”	:	The Company and its subsidiaries.
“Group of Lenders”	:	OL Master (Singapore Fund 1) Pte Limited, Orchard Landmark II (Singapore Fund 1) Pte Limited, and OCP Asia Fund III (SF 1) Pte Limited.
“IFA”	:	Xandar Capital Pte Ltd, the independent financial adviser to the Independent Directors in relation to the Proposed Loan Facility.
“IFA Letter”	:	A copy of the letter dated 31 January 2022 from the IFA to the Independent Directors in relation to the Proposed Loan Facility as an interested person transaction, as set out in Appendix B to this Circular.
“Independent Directors”	:	The Independent Directors of the Company, i.e. Mr. Leow Chin Boon, Mr. Yeong Wai Cheong and Mr. Lim Hoon Tong.
“Independent Shareholders”	:	For the purposes of the resolutions pertaining to (i) the Proposed Loan Facility (which is regarded as an interested person transaction) and (ii) the use of part of the proceeds of the Loan for the payment of the Outstanding Director Fees, Shareholders other than CH Biovest are considered to be independent. CH Biovest, as an interested person, shall abstain from voting on the abovementioned resolutions.

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“Latest Practicable Date”	:	24 January 2022, being the latest practicable date prior to the release of this Circular.
“Live Audio Feed”	:	Has the meaning ascribed to it in Section 5.2(d) of this Circular.
“Live Webcast”	:	Has the meaning ascribed to it in Section 5.2(d) of this Circular.
“Loan”	:	A loan made or to be made under the Proposed Loan Facility or the principal amount outstanding for the time being of that loan.
“Loan Agreement”	:	The conditional loan agreement dated 28 January 2022 entered into between CH Biovest and the Company.
“Managing Director”	:	Any person appointed by the Directors to be managing director of the Company.
“NTA”	:	Net tangible assets.
“OCP”	:	OCP Asia (Singapore) Pte. Limited and its related entities managing the OCP Loan and the OCP Additional Financing on behalf of the Group of Lenders.
“OCP Additional Financing”	:	The loan facility of up to S\$30,000,000 granted by the Group of Lenders to PDD as additional financing for PDD to sustain its operations. The facility agreement in respect of the OCP Additional Financing was signed by, amongst others, PDD and the Group of Lenders on 1 October 2021 and announced by the Company on 14 October 2021.
“OCP Loan”	:	The loan facility of up to S\$72,000,000 granted by the Group of Lenders to Twin Prosperity Group. The facility agreement in respect of the OCP Loan was signed by, amongst others, Twin Prosperity Group and the Group of Lenders on 24 December 2018 and announced on that same day. Subsequently, the OCP Loan was amended pursuant to an amendment agreement dated 30 June 2021 (announced on 30 June 2021) and an amendment and restatement agreement dated 1 October 2021 (announced on 14 October 2021).
“Outstanding Director Fees”	:	S\$176,123 of director fees payable to the Independent Directors for: <ul style="list-style-type: none">(i) FY2021 amounting to S\$120,000 as approved at the most recent AGM of the Company held on 31 December 2021; and(ii) FY2020 amounting to S\$56,123, which is the residual sum of the total director fees of S\$125,239 approved at the AGM of the Company held on 29 January 2021.
“PDD”	:	Pearl Discovery Development Sdn. Bhd., an indirect wholly-owned subsidiary of the Group. PDD is the principal subsidiary of the Group and is the development company of Puteri Cove Residences.
“Pre-registration Deadline”	:	Has the meaning ascribed to it in Section 5.4(c)(ii) of this Circular.
“Pre-registration Website”	:	Has the meaning ascribed to it in Section 5.4(a) of this Circular.

DEFINITIONS

“Proposed Loan Facility”	:	Has the meaning ascribed to it in Section 1.1(b) of this Circular.
“Puteri Cove Residences”	:	Puteri Cove Residences and Quayside, the mixed-development property project developed by PDD located in Puteri Harbour, Iskandar Puteri, Malaysia.
“Regulations”	:	The regulations of the Company contained in the Constitution.
“RM”	:	Ringgit Malaysia.
“SFA”	:	The Securities and Futures Act (Cap. 289) of Singapore, as may be modified from time to time.
“Shareholders”	:	Persons (other than CDP) who are for the time being registered as holders of Shares in the Register of Members maintained by the Company and Depositors who have Shares entered against their names in the Depository Register.
“Shares”	:	Ordinary shares in the share capital of the Company.
“Sponsor”	:	SAC Capital Private Limited.
“substantial shareholder”	:	A person who has an interest in one or more Shares, and the total votes attached to such Shares represent not less than 5% of the total votes attached to all the Shares.
“S\$” and “cents”	:	Singapore dollars and cents respectively.
“Twin Prosperity Group”	:	Twin Prosperity Group Limited, an indirect wholly-owned subsidiary of the Company and the holding company of PDD.
“Virtual Information Session”	:	Has the meaning as ascribed to it in Section 5.2(a) of this Circular.
“%”	:	Per centum or percentage.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA. The term “**Subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

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

Any reference in this Circular to any statute or enactment or the Catalist Rules is a reference to that statute or enactment or the Catalist Rules as for the time being amended or re-enacted.

Any word defined under the Companies Act, the SFA or the Catalist Rules or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA or the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.

LETTER TO SHAREHOLDERS

PACIFIC STAR
DEVELOPMENT LIMITED
PACIFIC STAR DEVELOPMENT LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198203779D)

Directors:

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

Registered Office:

2 Venture Drive
#19-15/17 Vision Exchange
Singapore 608526

31 January 2022

To: The Shareholders of Pacific Star Development Limited

Dear Sir/Madam

LETTER TO SHAREHOLDERS IN RELATION TO (I) THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY AND (II) THE PROPOSED LOAN FACILITY TO BE GRANTED BY CH BIOVEST PTE. LIMITED TO THE COMPANY

1. INTRODUCTION

- 1.1 The Directors are convening the EGM to be held on 22 February 2022 by way of electronic means to seek Shareholders' approval for:
- (a) the proposed amendments to the Constitution; and
 - (b) the acceptance of a proposed S\$500,000 loan facility to be granted by CH Biovest to the Company on the terms and conditions of the Loan Agreement as an interested person transaction (the "**Proposed Loan Facility**").
- 1.2 The purpose of this Circular is to provide Shareholders with the relevant information relating to the proposed amendments to the Constitution and the grant of the Proposed Loan Facility, which will be tabled at the EGM for the purpose of seeking Shareholders' approval for the same.
- 1.3 The SGX-ST assumes no responsibility for the accuracy of any of the statements or opinions made in this Circular.
- 1.4 The legal adviser to the Company on the proposed amendments to the Constitution is Donaldson & Burkinshaw LLP.

2. THE PROPOSED AMENDMENTS TO THE CONSTITUTION

2.1 Background

- (a) Pursuant to Regulation 86 of the Constitution, a Managing Director shall not while he continues to hold that office be subjected to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Directors but he shall, subject to the provision of any contract between him and the Company, be subjected to the same provisions as to resignation and removal as other Directors and if he ceases to hold the office of Director from any cause he shall *ipso facto* and immediately cease to be a Managing Director.

LETTER TO SHAREHOLDERS

- (b) Separately, pursuant to Regulation 89 of the Constitution, not less than one-third of the Directors (referring to those who have been longest in office since their appointment or re-election) are required to retire from office by rotation at each AGM, provided that no Director holding the office of Managing Director shall be required to retire by rotation or be taken into account in determining the number of Directors to retire.
- (c) Under Guideline 4.2 of the 2012 Code, all directors should be required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years ("**Rotation Guideline**"). Compliance of such guidelines under the 2012 Code is not compulsory, and any listed issuer who does not comply with the guideline is required to provide explanations for the deviation.
- (d) On 1 January 2019, the 2018 Code came into effect together with certain amendments to the Catalist Rules. In particular, the Rotation Guideline under the 2012 Code was adopted and incorporated into the Catalist Rules. Under the new Rule 720(4), an issuer must have all directors submit themselves for re-nomination and re-appointment at least once every three years. Accordingly, Regulation 86 and Regulation 89 of the Company's Constitution are no longer in compliance with the Catalist Rules.
- (e) The Company is proposing to amend Regulations 86 and 89 of the Constitution to comply with the Catalist Rules.

2.2 **Summary of Provisions.** The following is a summary of the proposed amendments to the Constitution and should be read in conjunction with Appendix A to this Circular.

2.2.1 Regulation 86

It is proposed that Regulation 86 be amended to apply to the Chief Executive Officer (who is also a Director) as well as the Managing Director, and that each of the Chief Executive Officer (who is also a Director) and Managing Director shall be subject to, *inter alia*, retirement by rotation.

2.2.2 Regulation 89

It is proposed that Regulation 89 be amended for consistency with the revised Regulation 86, in particular, each of the Chief Executive Officer (who is also a Director) and Managing Director shall be included for retirement by rotation and for determining the number of Directors to retire.

2.3 **Directors' Recommendation**

The Directors unanimously consider that the proposed amendments to the Constitution are in the best interests of the Company and recommend that Shareholders vote in favour of the special resolution for the proposed amendments to the Constitution as set out in the Notice of EGM on pages N-1 to N-4 of this Circular.

3. **THE PROPOSED LOAN FACILITY FROM CH BIOVEST**

3.1 **Background**

On 28 January 2022, the Company announced that the Company had entered into the Loan Agreement with CH Biovest pursuant to which CH Biovest had agreed to grant to the Company a Singapore Dollar loan facility in an aggregate amount of S\$500,000, subject to the terms and conditions set out in the Loan Agreement.

The Company is seeking approval of the Proposed Loan Facility under the Loan Agreement as an interested person transaction.

3.2 **Salient terms of the Proposed Loan Facility**

A summary of the salient terms of the Proposed Loan Facility is set out below:

- (a) Proposed Loan Facility: A Singapore Dollar denominated loan facility.
- (b) Commitment: S\$500,000.

LETTER TO SHAREHOLDERS

- (c) Availability Period: (i) The period commencing from and including the date of the EGM to and ending on and including the date falling one (1) month from the date of the EGM, or (ii) any other date as may be mutually agreed by the Company and CH Biovest.
- (d) Purpose: The Company shall apply all amounts borrowed by it under the Proposed Loan Facility towards payment of expenses relating to the maintenance of its listing on the SGX-ST as set out in the Loan Agreement.
- (e) Conditions Precedent: The utilisation of the Proposed Loan Facility is conditional upon, *inter alia*, the following:
 - (i) the Company providing corporate documents, including the most up to date Constitution of the Company, a copy of the resolutions of the Board (comprising approvals from the Independent Directors) approving the terms of, and the transactions contemplated by, the Loan Agreement as well as a copy of the Company's announcement in relation to the abovementioned resolutions;
 - (ii) no default is continuing or would result from the proposed Loan;
 - (iii) the representations and warranties in the Loan Agreement are true in all material respects; and
 - (iv) as soon as reasonably practicable, the Company shall seek the requisite approval from Independent Shareholders at an EGM to be convened, in accordance with the requirements under the Catalist Rules.
- (f) Utilisation: The Company may utilise the Loan by way of a single drawdown by delivery to CH Biovest of one duly completed utilisation request.
- (g) Interest Rate: 25% per annum (based on a 360 day count). The interest on the Loan shall accrue and be capitalised at the end of each calendar quarter (that is, 31 March, 30 June, 30 September and 31 December of each year) and added to the outstanding principal amount of the Loan, and such capitalised interest will subsequently be treated for all purposes of the Loan Agreement as part of the principal amount of the Loan.
- (h) Default Interest: If the Company fails to pay any amount payable by it under the Loan Agreement on its due date including, without limitation, any interest capitalised pursuant to each quarterly capitalisation, interest shall accrue on the unpaid sum from the due date up to the date of actual payment at the default rate which is 3% higher than the interest rate.
- (i) Maturity Date: The maturity date of the Loan shall be co-terminus with the OCP Loan. The maturity date of the Loan shall be the same as that of the OCP Loan pursuant to the terms of the definitive agreement governing the OCP Loan (as amended, restated and/or restructured from time to time) or such other date as may be agreed by CH Biovest so long as the aforementioned date is not earlier than the maturity date of the OCP Loan. The maturity date of the Loan shall therefore be co-terminus with the maturity date of the OCP Loan. In addition, the maturity date of the OCP Loan is also co-terminus with the maturity date of the OCP Additional Financing and Facility A. Currently, the maturity date of the Loan, taking reference from that of the OCP Loan, OCP Additional Financing and Facility A, is 5 October 2023.
- (j) Priority of Repayment: The Loan shall only be repaid after Facility A, the OCP Loan and the OCP Additional Financing are repaid in full by the Group to the Bank and the Group of Lenders respectively.
- (k) Prepayment: The Company shall prepay the Loan in full within five (5) business days of the date of the Company's repayment in full of the Group's indebtedness to the Bank (in relation to Facility A) and the Group of Lenders (in relation to the OCP Loan and OCP Additional Financing) together with accrued interest and all amounts payable under the Loan Agreement.

LETTER TO SHAREHOLDERS

3.3 Interested Person Transaction

3.3.1 Chapter 9 of the Catalyst Rules

Chapter 9 of the Catalyst Rules governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons.

Except for any transaction which is below S\$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company's latest audited consolidated NTA), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the transaction. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) 5% of the listed company's latest audited consolidated NTA; or
- (b) 5% of the listed company's latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Catalyst Rules) during the same financial year.

Under the Catalyst Rules:

- (a) an "entity at risk" means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;
- (b) an "interested person" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
- (c) an "associate" in relation to an interested person who is a director, chief executive officer, substantial shareholder or controlling shareholder (being an individual), includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer, substantial shareholder or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family, the substantial shareholder/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family, the substantial shareholder/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a substantial shareholder or a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or its subsidiary and/or its holding company and/or its fellow subsidiary have an aggregate interest (directly or indirectly) of 30% or more;
- (d) an "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9 of the Catalyst Rules;

LETTER TO SHAREHOLDERS

- (e) an “interested person transaction” means a transaction between an entity at risk and an interested person; and
- (f) a “transaction” includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of goods or services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

3.3.2 Relationship between CH Biovest and the Group

As at the date of this Circular, CH Biovest holds direct interest in 177,454,800 Shares representing 35.52% of the total issued share capital (excluding treasury shares) of the Company. Accordingly, CH Biovest is a controlling shareholder of the Company and is therefore regarded as an interested person in the context of the Proposed Loan Facility.

3.3.3 The Proposed Loan Facility as an Interested Person Transaction

As CH Biovest is an interested person under the Catalist Rules, the Proposed Loan Facility is deemed an interested person transaction under the Catalist Rules.

Based on the latest audited consolidated financial information of the Group for FY2021, the Group has net liabilities of approximately S\$79.302 million. The commitment of CH Biovest under the Loan Agreement is S\$500,000. Further, the Loan under the Proposed Loan Facility bears interest at the rate of 25% per annum (based on a 360 day count). The interest on the Loan shall be accrued and capitalised at the end of each calendar quarter (i.e. 31 March, 30 June, 30 September and 31 December of each year) and added to the outstanding principal amount of the Loan, and such capitalised interest will subsequently be treated for all purposes of the Loan Agreement as part of the principal amount of the Loan.

Pursuant to Rule 905(4) of the Catalist Rules, if a group’s latest audited net tangible assets are negative, the issuer should consult the SGX-ST on the appropriate benchmark to calculate the relevant thresholds in Rule 905(1) and 905(2), which may be based on its market capitalisation.

The Group has consulted with SGX-ST through the Sponsor and SGX-ST has determined that the Proposed Loan Facility shall require the approval of Independent Shareholders as an interested person transaction.

3.4 **Rationale for the Proposed Loan Facility**

To maintain the Group’s listing on the Catalist Board of the SGX-ST, the Group has incurred and will incur, from time to time, certain listing-related expenses such as fees payable to the SGX-ST, the Company’s Sponsor and the Group’s professional advisors and third-party service providers. In further detail, such listing expenses include:

- (i) Sponsor fees and charges;
- (ii) Annual report preparation and printing costs;
- (iii) Share registrar fees and charges;
- (iv) SGX-ST and CDP fees and charges;
- (v) Company secretary fees and charges;
- (vi) Polling agent fees and charges for annual general meeting(s) and extraordinary general meeting(s) of the Company;
- (vii) The Group’s internal audit fees;

LETTER TO SHAREHOLDERS

- (viii) Professional fees and charges relating to the submission of the Company's resumption of trading proposal to SGX-ST and amendments to the Constitution;
- (ix) The Company's director & officer liability and professional indemnity insurance;
- (x) Reimbursement of annual report printing costs (which are part of listing-related expenses) of approximately S\$3,900 paid by the Executive Chairman personally on behalf of the Company;
- (xi) The Outstanding Director Fees for the Independent Directors amounting to S\$176,123; and
- (xii) Other fees, charges and expenses directly attributable to the maintenance of the Company's listing status on the SGX-ST.

The Company requires financing from CH Biovest to fund the abovementioned expenses because of the following reasons:

- (a) the original S\$70,000,000 principal under the OCP Loan has already been fully drawn down and the increase in principal of S\$2,000,000 (pursuant to an amendment agreement dated and announced on 30 June 2021) has been designated for the non-listing-related expenses of the Group, and cannot be used to pay for the Company's listing-related expenses;
- (b) the OCP Additional Financing, which has been fully utilised, has been solely designated for PDD's operations and working capital and cannot be used to pay for the Company's listing-related expenses; and
- (c) Facility A, which is effectively fully utilised, pertains to PDD and cannot be used for non-PDD purposes.

Presently, the Group of Lenders and the Bank are not in a position to finance the Company's listing-related expenses. The Company has sought other external financing options but was not successful. The only financier willing and able to provide such financing is CH Biovest via the Proposed Loan Facility.

In respect of the terms of the Proposed Loan Facility, it is noted that:

- (I) the interest rate is not different from that of the OCP Loan, whereby interest accrues at a rate of 25% per annum compounded at the end of every calendar quarter and capitalised to the outstanding principal amount;
- (II) the maturity date of the Loan is not earlier than that of the OCP Loan, which in turn is co-terminus with the OCP Additional Financing and Facility A; and
- (III) unlike the OCP Loan, OCP Additional Financing and Facility A which are secured loans, the Loan from CH Biovest is unsecured. Therefore, the OCP Loan, OCP Additional Financing and Facility A rank ahead of the Loan in terms of priority of repayment.

On the above bases and on account that there are no other financiers able and willing to assist to fund the Company's listing-related expenses, as well as the critical need for the Company to settle and pay its listing-related expenses, the terms of the Proposed Loan Facility are reasonable to the Company. Therefore, the Audit Committee and the Independent Directors consider the Proposed Loan Facility to be beneficial for the Group as it will provide the Company with the funds to meet such listing-related expenses.

3.5 Opinion of the IFA

The IFA, Xandar Capital Pte Ltd, has been appointed to advise the Independent Directors in relation to the Proposed Loan Facility. A copy of the IFA Letter is set out in Appendix B to this Circular.

LETTER TO SHAREHOLDERS

Having regard to the considerations set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that the Proposed Loan Facility is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

3.6 Consent of IFA

The IFA has given and has not withdrawn its consent to the issue of this Circular with the inclusion herein of its name and all references to its name in the form and context in which it appears in this Circular and the IFA Letter reproduced in Appendix B to this Circular.

3.7 Statement from the Audit Committee

The Audit Committee, comprising Mr. Leow Chin Boon, Mr. Yeong Wai Cheong and Mr. Lim Hoon Tong, all of whom are considered independent for the purposes of considering the Proposed Loan Facility, having considered, amongst others, the circumstances of the Company, the terms, rationale and benefits of the Proposed Loan Facility as well as the opinion of the IFA (including the factors discussed in Paragraphs 4.3, 4.4 and 5 of the IFA Letter and taken into consideration in arriving at such opinion as set out in the IFA Letter) as set out in Appendix B to this Circular, is unanimously of the view that the Proposed Loan Facility is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

3.8 Payment of Outstanding Director Fees for Independent Directors

As stated in Section 3.4 of this Circular, part of the proceeds from the Loan would be applied towards the payment of the Outstanding Director Fees. Although the directors' fees for FY2020 and FY2021 amounting S\$125,239 and S\$120,000 respectively had been approved by the Shareholders at the relevant AGMs of the Company, S\$56,123 and S\$120,000 of directors' fees for FY2020 and FY2021 respectively remain unpaid. Therefore, the Company intends to utilise a portion of the Loan proceeds to settle these Outstanding Director Fees.

3.9 Independent Directors' Recommendations

Mr Ying Wei Hsein, the Executive Chairman of the Company, had been appointed to the Board as a nominee of CH Biovest. Accordingly, he is not considered to be independent or non-interested in respect of the Proposed Loan Facility. Mr Ying Wei Hsein has recused himself from all matters relating to the acceptance of the Proposed Loan Facility.

Having considered, amongst others, the rationale for and the terms and benefits of the Proposed Loan Facility, the opinion of the IFA as set out in Appendix B to this Circular, and the statement of the Audit Committee as set out in Section 3.7 of this Circular, the Independent Directors unanimously consider that the Proposed Loan Facility is in the best interests of the Company and its Independent Shareholders. Accordingly, the Independent Directors recommend that Independent Shareholders vote in favour of the Ordinary Resolution 1 to approve the Proposed Loan Facility as set out in the Notice of EGM on pages N-1 to N-4 of this Circular.

In respect of Ordinary Resolution 2 pertaining to the use of part of the proceeds of the Loan for payment of the Outstanding Director Fees, the Independent Directors have abstained from making a recommendation. In this regard, there is a conflict of interest for the Independent Directors if they make any recommendation specifically in relation to the payment of the Outstanding Director Fees payable to themselves from the proceeds of the Loan. Hence, Independent Shareholders should consider Ordinary Resolution 2 independently.

The Independent Directors, in rendering their recommendation above, have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Independent Shareholder. As different Independent Shareholders would have different investment objectives, the Independent Directors recommend that any individual Independent Shareholder who may require specific advice in relation to the Proposed Loan Facility should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers if he/she/it is in doubt as to any action he/she/it should take.

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3.10 Abstention from voting

Rule 919 of the Catalist Rules requires that interested persons and their associates must not vote on any Shareholders' resolutions approving the interested persons transaction.

CH Biovest is an interested person by virtue of its direct interest in 177,454,800 Shares representing 35.52% of the total issued share capital (excluding treasury shares) of the Company and will abstain and will procure its associates to abstain from voting on the Ordinary Resolutions to approve the Proposed Loan Facility.

4. EXTRAORDINARY GENERAL MEETING

The EGM will be held by way of electronic means on 22 February 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any amendments, the resolutions set out in the Notice of EGM on pages N-1 to N-4 of this Circular.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

5.1 Pursuant to the COVID-19 Order, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing measures to hold a physical meeting. Due to the current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the EGM will be held by way of electronic means and Shareholders will NOT be allowed to attend the EGM in person.

5.2 Alternative arrangements have therefore been put in place to allow Shareholders to participate at the EGM via electronic means. Such alternative arrangements include the following:

- (a) arrangements will be made for Shareholders to attend a virtual information session (the "**Virtual Information Session**") where real-time electronic communication facilities will be available to enable questions to be raised, and responded to, at the Virtual Information Session;
- (b) arrangements will be made for Shareholders to submit questions to the chairman of the EGM in advance of the EGM;
- (c) arrangements will be made for the Board and the management to address substantial and relevant questions received from Shareholders before the EGM; and
- (d) arrangements will be made for Shareholders to electronically access the EGM proceedings and watch and/or listen to the "live" audio-video webcast ("**Live Webcast**") or "live" audio-only feed ("**Live Audio Feed**");
- (e) arrangements will be made for Shareholders to appoint the chairman of the EGM as proxy to attend and vote on their behalf at the EGM.

Please see Section 5.4 below for further information regarding these alternative arrangements.

5.3 In line with the provisions under the COVID-19 Order, there will be no despatch of printed copies of Circular, Notice of EGM and Proxy Form to Shareholders. An electronic copy of each of the Circular, Notice of EGM and Proxy Form has been made available on:

- (a) SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements>; and
- (b) the Company's website at the following URL: https://www.pacificstar-dev.com/ir_announcements.html.

LETTER TO SHAREHOLDERS

5.4 The following are the alternative arrangements which have been put in place for the EGM:

(a) Pre-registration Website

Shareholders who wish to submit questions, attend the Virtual Information Session and watch/listen to the Live Webcast/Live Audio Feed of the EGM are required to pre-register at the following URL: <https://globalmeeting.bigbangdesign.co/pacificstar2022egm> (the “**Pre-registration Website**”).

(b) Pre-registration for Virtual Information Session and submission of questions

Please note that Shareholders will not be able to ask questions at the EGM through the Live Webcast/Live Audio Feed. Shareholders may submit questions in advance relating to the resolutions to be tabled for approval at the EGM. Shareholders who do not wish to submit written questions but who wish to attend the Virtual Information Session have up till 10.00 a.m. on 14 February 2022 to pre-register for the Virtual Information Session.

- (i) To do so, Shareholders are required to submit their questions and pre-register for the Virtual Information Session via the Pre-registration Website by no later than 10.00 a.m. on 11 February 2022. Please note that Shareholders will not be able to ask questions at the EGM during the Live Webcast/Live Audio Feed. Therefore it is important for Shareholders to pre-register for the Virtual Information Session and submit their questions via the pre-registration Website by the abovementioned deadline.
- (ii) Following the authentication of his/her/its status as a Shareholder, such Shareholder will receive an email on the login credentials, including instructions on how to access the Virtual Information Session by 10.00 a.m. on 14 February 2022. Shareholders who do not receive an email by the abovementioned date and time, but who have registered for the Virtual Information Session, should contact the webcast vendor, Big Bang Design Pte. Ltd., by email to webcast@bigbangdesign.co with the following details: (1) the full name of the Shareholder, and (2) his/her/its identification/registration number.
- (iii) The Virtual Information Session will be held at 10.00 a.m. on 15 February 2022 by way of electronic means. Shareholders who have pre-registered validly may participate at the Virtual Information Session by accessing the live webcast and/or audio stream in accordance with the instructions as set out in the email sent to the relevant Shareholders containing the login credentials for the Virtual Information Session. The agenda for the Virtual Information Session is to enable Shareholders to raise questions in relation to resolutions to be voted upon at the EGM, i.e. the proposed amendments to the Constitution and the Proposed Loan Facility.
- (iv) The Company will endeavour to address all substantial and relevant questions (as may be determined by the Company in its sole discretion) received from Shareholders prior to and during the Virtual Information Session.
- (v) The Company will publish the minutes of the Virtual Information Session on SGXNet and the Company’s website by 10.00 a.m. on 16 February 2022. These minutes will include the responses to the questions referred to above (if applicable).

(c) Pre-Registration for EGM Live Webcast and Live Audio Feed

- (i) The Chairman of the EGM will conduct the proceedings of the EGM by way of electronic means.

LETTER TO SHAREHOLDERS

- (ii) Shareholders will be able to watch these proceedings through a Live Webcast via their mobile phones, tablets or computers or listen to these proceedings through a Live Audio Feed via telephone. In order to do so, Shareholders must follow these steps:
- Shareholders who wish to watch/listen to the Live Webcast/Live Audio Feed of the EGM must pre-register by 10.00 a.m. on 19 February 2022 via the Pre-registration Website (the “**Pre-registration Deadline**”).
 - To pre-register for the Live Webcast/Live Audio Feed of the EGM, kindly access the Pre-registration Website, using either the latest versions of Chrome, Safari, or Edge.
 - Following the authentication of his/her/its status as a Shareholder, such Shareholder will receive an email on the login credentials, including instructions on how to access the Live Webcast/Live Audio Feed of the EGM proceedings by 10.00 a.m. on 21 February 2022. Shareholders who do not receive an email by 10.00 a.m. on 21 February 2022, but who have registered by the Pre-registration Deadline, should contact the webcast vendor, Big Bang Design Pte. Ltd., by email to webcast@bigbangdesign.co with the following details: (1) the full name of the Shareholder, and (2) his/her/its identification/registration number.
 - The EGM shall commence at 10.00 a.m. on 22 February 2022.

Investors who hold Shares through depository agents and wish to watch the Live Webcast or listen to the Live Audio Feed of the EGM must approach their respective depository agents to pre-register at least seven (7) working days before the date of the EGM, i.e. by 5.00 p.m. on 10 February 2022 in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company. Their deadline to submit written questions or pre-register for the Virtual Information Session is 5.00 p.m. on 8 February 2022. However, they must approach their respective agents so that the necessary arrangements can be made by the relevant agents.

(d) **Voting by proxy**

Shareholders will not be able to vote through the Live Webcast/Live Audio Feed on the resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit the instrument in writing (“**Proxy Form**”) to appoint the Chairman of the EGM to vote on their behalf:

- (i) A Shareholder (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
- (ii) The Chairman of the EGM, as proxy, need not be a member of the Company.
- (iii) The Proxy Form can be submitted to the Company in hard copy form or by email in the following means:
- if submitted by post, be deposited at Company’s Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
 - if submitted electronically, be submitted via email to the Company’s Share Registrar at main@zicoholdings.com,

in either case, no later **than 10.00 a.m. on 19 February 2022** (the “**Proxy Deadline**”) being not less than 72 hours before the time appointed for holding the EGM.

LETTER TO SHAREHOLDERS

Shareholders who wish to submit a Proxy Form must first download, complete and sign the proxy form, before submitting it by post (if using hard copy) to the address provided above, or scanning and sending it by email to the email address provided above. The proxy form may be downloaded from the Company's corporate website at the URL https://pacificstar-dev.com/ir_announcements.html and on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions so that their respective relevant intermediaries may in turn submit their voting instructions at least seven (7) working days before the date of the EGM, i.e. by **5.00 p.m. on 10 February 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf no later than the Proxy Deadline.

Members who observe the EGM proceedings are reminded that the Company's private invitation to members to attend the EGM via Live Webcast/Live Audio Feed must not be forwarded to anyone who is not a member of the Company or who is not authorised to attend the EGM. **RECORDINGS OF THE EGM PROCEEDINGS** in whatever form is also **STRICTLY PROHIBITED**.

6. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed amendments to the Constitution, the Proposed Loan Facility, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

7. **DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Constitution is available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) up to and including the date of the EGM.

A copy of the Loan Agreement is available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) for a period of three (3) months from 28 January 2022.

Shareholders who wish to inspect the above documents shall make an appointment via the following email address: psd.cc@pacificstar-dev.com, so that the relevant arrangements can be made in compliance with the Singapore Government's directives in relation to the ongoing COVID-19 outbreak.

Yours faithfully

For and on behalf of the Directors of
Pacific Star Development Limited
Leow Chin Boon
Lead Independent Director

APPENDIX A – PROPOSED AMENDMENTS TO THE CONSTITUTION

The proposed amendments to the Constitution of the Company are set out below. It is proposed that the following Regulations in the Constitution be amended in the following manner where text in strikethrough indicates deletions from and underlined text indicates additions to the Constitution of the Company.

86. A Chief Executive Officer (who is also a Director) or Managing Director shall ~~not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Directors but he shall;~~ subject to the provisions of any contract between him and the Company, be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company and, in the case of a Managing Director, if he ceases to hold the office of Director from any cause he shall *ipso facto* and immediately cease to be a Managing Director.
89. At each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, ~~Provided that no Director holding office as Managing Director shall be required to retire by rotation or be taken into account in determining the number of Directors to retire.~~ For the avoidance of doubt, each Director (~~other than~~including a Director holding office as Chief Executive Officer or Managing Director) shall retire at least once every three years.

APPENDIX B – IFA LETTER



31 January 2022

PACIFIC STAR DEVELOPMENT LIMITED

2 Venture Drive
#19-15/17 Vision Exchange
Singapore 608526

Attention: The Independent Directors (as defined herein)

Dear Sirs

LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF PACIFIC STAR DEVELOPMENT LIMITED (THE "COMPANY", AND TOGETHER WITH ITS SUBSIDIARIES, THE "GROUP") IN RESPECT OF THE PROPOSED LOAN FACILITY TO BE GRANTED BY CH BIOVEST PTE. LIMITED AS AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE LISTING MANUAL (SECTION B: RULES OF CATALIST) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "CATALIST RULES")

Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter which are not defined shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 31 January 2022 (the "Circular").

1. INTRODUCTION

On 28 January 2022, Pacific Star Development Limited (the "**Company**") announced that it had on the same day entered into a conditional loan agreement (the "**Loan Agreement**") with CH Biovest Pte. Limited ("**CH Biovest**") pursuant to which CH Biovest had agreed to grant to the Company a Singapore Dollar loan facility in an aggregate amount of S\$500,000, subject to the terms and conditions set out in the Loan Agreement (the "**Proposed Loan Facility**"). The Company intends to apply the amounts draw down under the Proposed Loan Facility (the "**Loan**") towards payment of expenses relating to the maintenance of its listing on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

CH Biovest holds 177,454,800 ordinary shares ("**Shares**"), representing 35.52% interests in the capital (excluding treasury shares) of the Company. Accordingly, CH Biovest is a 'controlling shareholder' and an 'interested person' under the Catalist Rules, and the Proposed Loan Facility is regarded as an 'interested person transaction' in accordance with Chapter 9 of the Catalist Rules.

Based on the latest annual report of the Company for the financial year ended 30 June 2021 ("**FY2021**"), the Company had audited consolidated net tangible liabilities of S\$79.3 million as at 30 June 2021. Accordingly, any new 'interested person transaction' of the Company, including the Proposed Loan Facility, will exceed the threshold under Rule 906 of the Catalist Rules and the Proposed Loan Facility is an 'interested person transaction' which is subject to the approval of the shareholders of the Company ("**Shareholders**") other than CH Biovest and its associates (the "**Independent Shareholders**").

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APPENDIX B – IFA LETTER



The Company is convening the extraordinary general meeting (“**EGM**”) to seek Independent Shareholders’ approval for the Proposed Loan Facility, and pursuant to Rule 921(4)(a) of the Catalyst Rule, the Company is required to obtain an opinion from an independent financial adviser (“**IFA**”) on whether the Proposed Loan Facility is on normal commercial terms, and whether the terms of the Proposed Loan Facility is prejudicial to the interests of the Company and its minority Shareholders.

Xandar Capital Pte. Ltd. (“**Xandar Capital**”) has been appointed by the Company to act as the IFA to advise the independent directors of the Company, namely, Mr. Leow Chin Boon, Mr. Yeong Wai Cheong and Mr. Lim Hoon Tong (collectively, the “**Independent Directors**”) as to (i) whether the Proposed Loan Facility is normal commercial terms; and (ii) whether the terms of the Proposed Loan Facility are prejudicial to the interests of the Company and its minority shareholders. As stated in the Circular, Mr. Ying Wei Hsein (the Executive Chairman of the Company) is not considered independent for the purposes of the Proposed Loan Facility.

This letter, which is prepared pursuant to Rule 921(4)(a) of the Catalyst Rules, sets out our evaluation of, and our opinion to, the Proposed Loan Facility (the “**IFA Letter**”), and forms part of the Circular issued by the Company in connection with the EGM to approve the Proposed Loan Facility.

2. TERMS OF REFERENCE

Xandar Capital has been appointed to advise the Independent Directors as to (i) whether the Proposed Loan Facility is normal commercial terms; and (ii) whether the terms of the Proposed Loan Facility are prejudicial to the interests of the Company and its minority shareholders.

We are not and were not involved in any aspect of the negotiations pertaining to the Proposed Loan Facility, nor were we involved in the deliberations leading up to the decisions on the part of the Independent Directors to agree on the terms of the Loan Agreement. Our evaluation is limited to the terms of the Loan Agreement and has not taken into account the legal risks, commercial risks or merits, financial risks or merits of the Proposed Loan Facility.

Our terms of reference do not require us to express, evaluate or comment on the rationale for, strategic or commercial merits and/or risks of the Proposed Loan Facility, or the future performance or prospects of the Group. We are, therefore, not expressing any opinion herein as to the future financial or other performance of the Company or the Group, whether with or without the Proposed Loan Facility.

As with other business transactions of the Company, the merit and/or associated risk, whether commercial, financial or otherwise, of the Proposed Loan Facility, are solely the responsibility of the Directors. Likewise, we are not expressing herein as to the prices at which the Shares may trade whether with or without the Independent Shareholders’ approval for the Proposed Loan Facility. We are also not addressing the relative merits of the Proposed Loan Facility, as compared to any alternative transaction of the Group or that otherwise may become available to the Group in the future. Such evaluations or comments remain the responsibility of the Directors and the management of the Company.

In the course of our evaluation and for the purpose of providing our opinion in relation to the Proposed Loan Facility, we have held discussions with the Independent Directors and the management of the Group and have examined information provided by the board of directors (the “**Board**”) and the management of the Group and other publicly available information collated

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APPENDIX B – IFA LETTER



by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate in assessing such information and are not aware of any reason to doubt the accuracy or reliability of the information.

We have relied upon the assurance that the Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Loan Facility, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Group and the Proposed Loan Facility, are to the best of their knowledge and belief, fair and accurate in all material aspects.

Our assessment does not require us to make any independent evaluation or appraisal of the assets or liabilities (including without limitation, real properties) of the Company and/or Group and we have not been furnished with any evaluation or appraisal of any assets of the Company and/or the Group.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us contained in the Circular as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained therein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Loan Facility, which may be released by the Company after the Latest Practicable Date.

In arriving at our opinion, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisors immediately.

This IFA Letter has been prepared pursuant to Rule 921(4)(a) of the Catalist Rules, and is for the use and benefit of the Independent Directors in their deliberation of the Proposed Loan Facility, and the recommendations made by the Independent Directors shall remain the responsibility of the Independent Directors.

The Company has been separately advised by its own advisors in the preparation of the Circular (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 Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).



Our opinion, in relation to the Proposed Loan Facility, should be considered in the context of the entirety of this IFA Letter and the Circular.

We recommend that the Directors advise Shareholders to read these pages carefully.

3. THE PROPOSED LOAN FACILITY

Information on the Proposed Loan Facility can be found in Section 3 of the Circular. Shareholders are advised to read the information carefully. We set out a summary of the information as follows:

3.1 THE KEY TERMS OF THE PROPOSED LOAN FACILITY

The terms and conditions of the Proposed Loan Facility can be found in Section 3.2 of the Circular. We summarised the key terms of the Proposed Loan Facility as follows:

Date of Loan Agreement	:	28 January 2022.
Principal	:	Up to S\$500,000.
Availability period	:	The Company may draw down the Loan in one single tranche from and including the date of the EGM (subject to receipt of Shareholders' approval) to and ending on and including the date falling one (1) month from the date of the EGM, or (ii) any other date as may be mutually agreed by the Company and CH Biovest.
Interest rate	:	25% per annum (based on a 360-day count).

The interest on the Loan shall accrue and be capitalised at the end of each calendar quarter (that is, 31 March, 30 June, 30 September and 31 December of each year) and added to the outstanding principal amount of the Loan, and such capitalised interest will subsequently be treated for all purposes of the Loan Agreement as part of the principal amount of the Loan, and be paid on the Maturity Date (as defined below) together with all amounts outstanding under the Loan.

APPENDIX B – IFA LETTER



Maturity date : The maturity date of the Loan shall be co-terminus with the OCP Loan, which is 5 October 2023. If the OCP Loan, OCP Additional Financing and Facility A are paid earlier, the Company shall prepay the Loan in full within five (5) business days of the date of the Group's repayment of the OCP Loan, OCP Additional Financing and Facility A.

"OCP Loan" refers to the S\$72,000,000 loan facility granted by three lenders (namely, OL Master (Singapore Fund 1) Pte Limited, Orchard Landmark II (Singapore Fund 1) Pte Limited, and OCP Asia Fund III (SF 1) Pte Limited, collectively, the "Group of Lenders") to Twin Prosperity Group Limited, an indirectly wholly-owned subsidiary of the Company.

As at 30 September 2021, an aggregate sum of S\$108,936,539 (including the original principal of S\$72,000,000 and related accrued and capitalised interest) is outstanding under the OCP Loan.

Security : No security.

Ranking : Subordinated to the OCP Loan, the OCP Additional Financing and Facility A (which are existing borrowings relating to the Group).

"OCP Additional Financing" refers to the S\$30,000,000 loan facility granted by the Group of Lenders to Pearl Discovery Development Sdn Bhd ("PDD"), an indirectly wholly-owned subsidiary of the Company.

"Facility A" refers to the existing bank facility (consisting of a fixed loan and an overdraft facility) provided by the principal Malaysia bank of PDD (the "Bank") to PDD. As at 30 September 2021, a fixed loan with an aggregate sum of RM 156,498,825 (including principal and interest) and an overdraft facility with an aggregate sum of RM 7,989,753 (including principal and interest) are owed by PDD to the Bank under Facility A.

The Loan shall only be repaid after Facility A, the OCP Loan and the OCP Additional Financing are repaid in full by the Group to the Bank and the Group of Lenders respectively.

Use of proceeds of the Loan : The Group shall apply the proceeds from the Loan towards payment of expenses relating to the maintenance of the listing of the Company on the SGX-ST (the "Listing Expenses") as approved by CH Biovest in accordance with the Loan Agreement.

3.2 ABOUT CH BIOVEST

CH Biovest is a controlling shareholder of the Company, holding 177,454,800 Shares, representing 35.52% interests in the capital (excluding treasury shares) of the Company as at the Latest Practicable Date.

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We note from publicly available information that CH Biovest is a wholly-owned subsidiary of Chuan Hup Holdings Limited, a company listed on the SGX-ST.

3.3 AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS

Pursuant to Catalist Rule 921(4)(a), the IFA needs to opine on whether the Proposed Loan Facility as well as all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules are on normal commercial terms, and are not prejudicial to the interest of the Company and its minority shareholders.

As at 30 September 2021, the Group had other amounts due to CH Biovest amounting to S\$7,347,610 comprising non-interest-bearing advances of S\$4,328,495, interest-bearing advances of S\$2,681,970 and interest accrued of S\$337,145. These are advances originally extended by PSD Holdings Pte. Ltd. (“PSDH”) to the Group and was assigned to CH Biovest via a Deed of Assignment with effect from 30 April 2021. The interest rate on the interest-bearing advances is 5% per annum.

The total interest charged on the interest-bearing advances for the period from 1 July 2021 to the Latest Practicable Date amounted to S\$76,050. As the interest payable is less than S\$100,000, the interest payable is not subject of aggregation pursuant to Rule 906(2) of the Catalist Rules.

Save as disclosed, the Company has no other transaction with CH Biovest and its associates during the aforesaid period.

4. EVALUATION OF THE PROPOSED LOAN FACILITY

The following are factors which we consider to be pertinent and to have a significant bearing on our evaluation of the Proposed Loan Facility:

- (a) the rationale for the Proposed Loan Facility;
- (b) the financial position and cash position of the Company and the Group;
- (c) the key terms of the existing borrowings and/or facilities of the Group;
- (d) other amounts due to CH Biovest; and
- (e) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

4.1 THE RATIONALE FOR THE PROPOSED LOAN FACILITY

The rationale for the Proposed Loan Facility is set out in Section 3.4 of the Circular.

We note that the Group has exhausted its current financing facilities, the funds of which have been designated to the continuing operations of PDD and the non-listing expenses of the Company. Thus, the Company is unable to utilise such funds to meet its listing-related expenses. As at the Latest Practicable Date, CH Biovest is the only financier willing to and able to provide financing to meet the listing-related expenses of the Company. As disclosed in the Circular, the



Company has sought other external financing options but was not successful. This could be attributed to the current financial position and the substantial losses recorded by the Group in recent years. Please also refer to reviews of the Group's latest announced financial position and cash position set out in the paragraphs below.

4.2 THE FINANCIAL POSITION AND CASH POSITION OF THE GROUP

4.2.1 Financial position of the Group

We summarise the latest audited and unaudited financial position of the Group as follows:

S\$'000	Audited 30 June 2021	Unaudited 30 September 2021
Current assets	132,145	131,668 ⁽¹⁾
Current liabilities	(164,598)	(170,798)
Net current liabilities	(32,453)	(39,130)
Non-current assets	494	452
Non-current liabilities	(47,343)	(47,495)
Net asset value (" NAV ")	(79,302)	(86,173) ⁽¹⁾

Note:

- (1) The Company provided a write-down of development properties amounting to S\$4,473,000 in the audited financial statements for FY2021 announced on 16 December 2021 and the carrying value of the development properties as at 30 June 2021 decreased from S\$133.5 million as reflected in the unaudited financial statements to S\$129.1 million as reflected in the audited financial statements. The decreased carrying value of the development properties as at 30 June 2021 was also not reflected in the Company's results announcement for the first quarter ended 30 September 2021 ("**1QFY2022**"). Accordingly, we have reduced the carrying value of the development properties as at 30 September 2021 from S\$132.8 million to S\$128.4 million and the current assets and NAV of the Group were also decreased correspondingly.

As set out above, the Group had negative current liabilities as well as negative NAV as at 30 June 2021 and 30 September 2021.

The Group's current assets comprised mainly unsold units (completed and construction in progress) at Puteri Cove Residences and Quayside ("**PCR**") located in Iskandar Puteri, Malaysia which had a carrying value of S\$129.1 million and S\$128.4 million (as adjusted) as at 30 June 2021 and 30 September 2021 respectively.

We set out the revenue recognised by the Group from the sale of units in PCR as follows:

	Revenue from sale of units in PCR (S\$'000)
Financial year ended 31 December 2016	59,113
18 months financial period ended 30 June 2018	121,426

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Revenue from sale of units in PCR (S\$'000)

FY2019	4,519
FY2020	5,763
FY2021	1,711
1QFY2022	1,615

The Group's liabilities as at 30 June 2021 and 30 September 2021 comprised mainly the OCP Loan as well as Facility A which were drawn down for the construction of PCR and working capital.

As at 30 September 2021, the Group has completed the construction of two 32-storey residential towers, four Soho blocks and 2-storey lifestyle retail centre of PCR while the completion of the construction of one 32-storey serviced apartment tower of PCR will be dependent on the recovery of the tourism sector post COVID-19.

4.2.2 Negative cash flow from operations

We note that the Group has been registering negative net cash from operating activities as follows:

Net cash used in operating activities (S\$'000)

Financial year ended 31 December 2016	(14,724)
18 months financial period ended 30 June 2018	(26,053)
FY2019	(24,060)
FY2020	(7,277)
FY2021	(4,411)
1QFY2022	(1,511)

As at 30 June 2021 and 30 September 2021, the Group's cash at bank amounted to S\$149,000 and S\$488,000 respectively and the Group had negative cash and cash equivalents of S\$2,425,000 and S\$2,108,000 as at 30 June 2021 and 30 September 2021 respectively.

4.2.3 Disclaimer of opinion by the Company's auditors

The Company's auditors, Ernst & Young LLP, has included a disclaimer of opinion, in the Company's audited financial statements for FY2021. We extract in *italics* as follows:

The Group's results for the financial year were adversely affected by the continuing challenges affecting the property market in Johor, Malaysia and incurred a net loss of \$31,995,000. The Group generated negative operating cash flows of \$4,411,000 during the current financial year. As at 30 June 2021, the Group is in net liability position of \$79,302,000 and net current liability position of \$32,453,000. The Group's loans and borrowings of \$108,807,000 were classified as current liabilities as at 30 June 2021. The Group's current assets mainly comprise development

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properties amounting to \$129,090,000 as at 30 June 2021. The Company's current liabilities also exceeded its current assets by \$15,551,000 as at 30 June 2021. These factors, the continuing challenges faced by the Group in selling its development properties as planned and increasing level of indebtedness give rise to material uncertainties on the ability of the Group and Company to continue as going concern.

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

The carrying value of the assets as recorded on the balance sheets of the Group and Company as at 30 June 2021 has been determined based on the continuation of the Group and Company as a going concern and recovery in the normal course of business. If the going concern assumption is not appropriate and the financial statements were presented on a realisation basis, the carrying value of assets and liabilities may be materially different from that currently recorded in the balance sheet. If the Group and Company were unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet.

Given the negative NAV, negative operating cash flow and disclaimer of opinion by the Company's auditors, it is unlikely for the Group to secure new financing to meet its listing-related expenses.

4.3 THE KEY TERMS OF THE EXISTING BORROWINGS AND/OR FACILITIES OF THE GROUP

To evaluate if the terms of the Proposed Loan Facility are on normal commercial terms, we have compared the terms of the Proposed Loan Facility against the terms of the Group's existing borrowings drawn down and/or facilities available as at the Latest Practicable Date as follows:

Existing borrowings / facilities	Principal drawn down / Facilities available as at the Latest Practicable Date (S\$)	Interest rate (per annum)	Maturity date	Security	Remarks
OCP Loan	72,000,000 (comprising S\$70,000,000 under a loan agreement dated 24 December 2018 and S\$2,000,000 under the amended loan agreement dated 30 June 2021, and as amended on 1 October 2021)	25.0% calculated on a 360-day year basis and compounded at the end of every calendar quarter and capitalised to the outstanding principal amount; plus S\$12,500 amendment fee daily until the full repayment of the OCP Loan	5 October 2023, or if earlier, coterminous with the maturity date of Facility A and the OCP Additional Financing	(i) assignment of intra-company loans owed to the Group for the purposes of PCR and a condominium development project in Bangkok, Thailand known as Posh 12 ("P12") which is held through the Group's joint venture and associate; (ii) assignment of development management agreements relating to PCR and P12; (iii) corporate guarantees by and debentures over the Company, and its subsidiaries; and (iv) share charges over shares of the Company's subsidiaries, joint venture and associate.	The initial S\$70,000,000 has been fully drawn down for the development of PCR, P12 and working capital purposes. The most recent S\$2,000,000 component (in the form of an increase pursuant to an amendment agreement dated 30 June 2021) has been fully drawn down and not to be used for the Company's listing-related expenses. "P12" refers to the Posh Twelve project in Bangkok, Thailand. Currently, the Group's development company of P12 is currently undergoing a bankruptcy process and the Thai bankruptcy court has already issued an absolute receivership order against it as at 14 May 2021.

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Existing borrowings / facilities	Principal drawn down / Facilities available as at the Latest Practicable Date (S\$)	Interest rate (per annum)	Maturity date	Security	Remarks
Bank loan from the Bank	46,845,351 (RM146.39 million) (principal outstanding as at the Latest Practicable Date)	2.75% plus Kuala Lumpur Interbank Offered Rate	5 October 2023	(i) legal mortgage on the Group's PCR; (ii) all-monies debenture and power of attorney over the assets and properties of PDD; (iii) assignment of all rights and benefits to sale, lease and/or insurance proceeds in respect of PCR (including assignment of the project account); and (iv) corporate guarantee from PSD Singapore Pte. Ltd..	Fully utilised for the development of PCR and working capital purposes.
Bank overdraft facility from the Bank	2,551,670 (RM7.97 million)	1.25% plus bank base lending rate	Repayable on demand	(i) legal mortgage on the Group's PCR; (ii) all-monies debenture and power of attorney over the assets and properties of PDD; (iii) assignment of all rights and benefits to sale, lease and/or insurance proceeds in respect of PCR (including assignment of the project account); and (iv) corporate guarantee from PSD Singapore Pte. Ltd..	As at the Latest Practicable Date, the undrawn overdraft facility amounted to S\$8,330 (RM26,030).

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Existing borrowings / facilities	Principal drawn down / Facilities available as at the Latest Practicable Date (S\$)	Interest rate (per annum)	Maturity date	Security	Remarks
Term loan from the Group of Lenders	30,000,000 (agreement dated 1 October 2021)	12.5% calculated on a 360-day year basis and compounded at the end of every month and capitalised to the outstanding principal amount	5 October 2023, or if earlier, coterminous with the maturity date of Facility A	(i) first-ranking charge and assignment of a disbursement account held with the Bank; (ii) second-ranking charge and assignment of certain accounts held with the Bank; (iii) second-ranking debentures over all the assets of PDD and each individual unit comprised in PCR that have not been sold by the Group; (iv) second-ranking assignment of the rental and sale proceeds from PCR; and (v) second-ranking charge over each individual unit comprised in PCR that has not been sold by the Group on creation thereof after issue of the strata titles for the units in PCR.	The Group may use the funds for specific purposes as approved by the Bank and the OCP Lenders, which are for the purposes of PDD only. As at Latest Practicable Date, the facility has been fully utilised.

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Existing borrowings / facilities	Principal drawn down / Facilities available as at the Latest Practicable Date (S\$)	Interest rate (per annum)	Maturity date	Security	Remarks
Amount due to CH Biovest	4,328,495	Interest-free	Subordinated to the OCP Loan and OCP Additional Financing	None	As at Latest Practicable Date, the facility has been fully utilised. Assigned to CH Biovest via a Deed of Assignment with effect from 30 April 2021.
Amount due to CH Biovest	2,681,970	5% calculated on a 365-day year basis	Subordinated to the OCP Loan and OCP Additional Financing	None	As at Latest Practicable Date, the facility has been fully utilised. Assigned to CH Biovest via a Deed of Assignment with effect from 30 April 2021.
Amount due to DB2 Investment Pte. Ltd.	1,320,239	Interest-free	Subordinated to the OCP Loan and OCP Additional Financing	None	As at Latest Practicable Date, the facility has been fully utilised. Assigned to DB2 Investment Pte. Ltd. via a Deed of Assignment with effect from 30 April 2021.
Amount due to DB2 Investment Pte. Ltd.	818,030	5% calculated on a 365-day year basis	Subordinated to the OCP Loan and OCP Additional Financing	None	As at Latest Practicable Date, the facility has been fully utilised. Assigned to DB2 Investment Pte. Ltd. via a Deed of Assignment with effect from 30 April 2021.

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Existing borrowings / facilities	Principal drawn down / Facilities available as at the Latest Practicable Date (S\$)	Interest rate (per annum)	Maturity date	Security	Remarks
The Proposed Loan Facility	500,000	25.0% calculated on a 360-day year basis and accrued to principal every calendar quarter	Coterminous with the OCP Loan, the OCP Additional Financing and Facility A or earlier, within five (5) business days of the date of the Group's repayment of the OCP Loan, the OCP Additional Financing and Facility A if the OCP Loan, the OCP Additional Financing and Facility A are repaid earlier than 5 October 2023. This is also subordinated to the OCP Loan, OCP Additional Financing and Facility A.	None	The Group can only apply the Loan towards payment of expenses relating to the maintenance of the listing of the Company on the SGX-ST as approved by CH Biovest in accordance with the Loan Agreement.



As set out in above table, the interest rate under the Loan Agreement is the same as the OCP Loan, which is the latest renewed and largest outstanding borrowings of the Group.

We also note that the default interest of the Proposed Loan Facility, which is 3% higher than the interest rate, is the same as the OCP Loan.

We also wish to highlight that the Loan is subordinated to the OCP Loan, the OCP Additional Financing and Facility A. This means that the Loan will only be repaid after the OCP Loan, the OCP Additional Financing and Facility A are repaid in full by the Group to the Group of Lenders and the Bank respectively.



4.4 OTHER AMOUNTS DUE TO CH BIOVEST

As set out in paragraphs 3.3 and 4.3 of this IFA Letter, as at 30 September 2021, the Group had other amounts due to CH Biovest arising from advances assigned to CH Biovest via a Deed of Assignment with effect from 30 April 2021. These amounts aggregated S\$7.0 million as at the Latest Practicable Date and more than 60% of these outstanding other payables is interest-free while the balance bears interest at a simple rate of 5% per annum.

While the interest rate under the Loan Agreement is much higher than these other amounts due to CH Biovest, we wish to highlight that:

- (a) the other amounts due to CH Biovest are amounts assigned to CH Biovest as a result of a debt recovery process undertaken by CH Biovest; and
- (b) pursuant to the Proposed Loan Facility, CH Biovest will be extending additional fresh financing to the Company.

5. OUR OPINION

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Loan Facility. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration:

- (a) CH Biovest is the only financier willing to and able to provide financing to meet the listing-related expenses of the Company. The Company has sought other external financing options but was not successful;
- (b) the Group had net current liabilities and net liabilities amounting to S\$39.1 million and S\$86.2 million respectively as at 30 September 2021 and had generated negative cash flow from operations for the past five audited financial periods. In relation to the FY2021 audited financial statement, given the negative NAV, negative operating cash flow and disclaimer of opinion by the Company's auditors, it is unlikely for the Company to secure new financing to meet its listing-related expenses;
- (c) the interest rate under the Proposed Loan Facility is the same as the OCP Loan, which is the latest renewed and largest outstanding borrowings of the Group. The Loan is also subordinated to the OCP Loan, the OCP Additional Financing and Facility A; and
- (d) while the interest rate under the Proposed Loan Facility is much higher than the other amounts due by the Group to CH Biovest, CH Biovest will be extending additional fresh financing to the Company under the Proposed Loan Facility.

We also note that Mr Ying Wei Hsein (the Executive Chairman of the Company) has recused himself from making any recommendation on the acceptance of the Proposed Loan Facility and CH Biovest will abstain and will procure its associates to abstain from voting on the resolutions relating to the Proposed Loan Facility.

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Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, the Proposed Loan Facility is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Loan Facility, and the recommendation made by them to the Independent Shareholders shall remain the responsibility of the Independent Directors. Neither the Company, the Board nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Proposed Loan Facility, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This opinion 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

NOTICE OF EXTRAORDINARY GENERAL MEETING

PACIFIC STAR DEVELOPMENT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198203779D)

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular dated 31 January 2022 issued by Pacific Star Development Limited to its shareholders (the “Circular”).

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Pacific Star Development Limited (the “**Company**”) will be held by way of electronic means on Tuesday, 22 February 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

(I) AS SPECIAL RESOLUTION: THE PROPOSED AMENDMENTS TO THE CONSTITUTION

THAT:

- (a) the proposed amendments to the Constitution of the Company in the manner and to the extent set out in the Circular be and is hereby approved; and
- (b) the Directors and any one of them be and are hereby authorised and empowered to approve and complete and do all such acts and things (including to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as they or he may consider expedient, desirable, necessary or in the interests of the Company to give effect to the proposed amendments to the Constitution of the Company and/or this Special Resolution.

(II) AS ORDINARY RESOLUTION 1: THE PROPOSED LOAN FACILITY TO BE GRANTED BY CH BIOVEST PTE. LIMITED TO THE COMPANY

THAT:

- (a) for the purposes of Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“**Chapter 9**”):
 - (i) the entry by the Company into the Loan Agreement with CH Biovest Pte. Limited and the acceptance of the Proposed Loan Facility by the Company; and
 - (ii) the drawdown of the Loan to be disbursed by CH Biovest Pte. Limited to the Company in accordance with the terms of the Loan Agreement pursuant to the Proposed Loan Facility,

where the entry into the Loan Agreement, the acceptance the Proposed Loan Facility and the drawdown of the Loan constitute interested person transactions under Chapter 9, be and are hereby approved; and

- (b) the Directors of the Company and each of them be and are hereby authorised to do all acts and things as they may in their discretion deem necessary, desirable or expedient in the interests of the Company to give effect to the Loan Agreement, the Proposed Loan Facility, the Loan and/or this Ordinary Resolution.

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(III) AS ORDINARY RESOLUTION 2: THE USE OF PART OF THE PROCEEDS FROM THE LOAN FOR PAYMENT OF THE OUTSTANDING DIRECTOR FEES FOR THE INDEPENDENT DIRECTORS OF THE COMPANY

THAT contingent upon the passing of Ordinary Resolution 1, part of the proceeds from the Loan (namely, an aggregate sum of S\$176,123) shall be used to pay outstanding director fees of the Independent Directors of the Company that are owing in respect of FY2021 and FY2020 (i.e. the Outstanding Director Fees).

BY ORDER OF THE BOARD PACIFIC STAR DEVELOPMENT LIMITED

Leow Chin Boon
Lead Independent Director
31 January 2022

Notes:

General

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing measures to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the EGM will be held by way of electronic means and the member will NOT be allowed to attend the EGM in person.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Company's circular dated 31 January 2022 (the "**Circular**") which has been uploaded together with this Notice of EGM on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: https://www.pacificstar-dev.com/ir_announcements.html on the same day. Arrangements will be made for Shareholders to attend a virtual information session where real-time electronic communication facilities will be available to enable questions to be raised, and responded to, at the virtual information session (the "**Virtual Information Session**").

Pre-registration Website

3. Members who wish to submit questions, attend the Virtual Information Session and/or watch/listen to the Live Webcast/Live Audio Feed of the EGM are required to pre-register at the following URL for the Company to authenticate their status as members: <https://globalmeeting.bigbangdesign.co/pacificstar2022egm> (i.e. the "**Pre-registration Website**").

Pre-registration for Virtual Information Session and Submission of Questions

4. Members will not be able to ask questions at the EGM through the Live Webcast/Live Audio Feed. Members may submit questions in advance relating to the resolutions to be tabled for approval at the EGM.
 - (i) To do so, members are required to pre-register for the Virtual Information Session and submit their questions via the Pre-registration Website by no later than 10.00 a.m. on 11 February 2022. Please note that members will not be able to ask questions at the EGM during the Live Webcast/Live Audio Feed. Therefore it is important for members to pre-register for the Virtual Information Session and submit their questions via the pre-registration Website by the abovementioned deadline. Members who do not wish to submit written questions but who wish to attend the Virtual Information Session have up till 10.00 a.m. on 14 February 2022 to pre-register for the Virtual Information Session.
 - (ii) Following the authentication of his/her/its status as a member, such member will receive an email on the login credentials, including instructions on how to access the Virtual Information Session by 10.00 a.m. on 14 February 2022. Members who do not receive an email by the abovementioned date and time, but who have registered for the Virtual Information Session, should contact the webcast vendor, Big Bang Design Pte. Ltd., by email to webcast@bigbangdesign.co with the following details: (1) the full name of the members, and (2) his/her/its identification/registration number.
 - (iii) The Virtual Information Session will be held at 10.00 a.m. on 15 February 2022 by way of electronic means. Members who have pre-registered validly may participate at the Virtual Information Session by accessing the live webcast and/or audio stream in accordance with the instructions as set out in the email sent to the relevant members containing the login credentials for the Virtual Information Session. The agenda for the Virtual Information Session is to enable members to raise questions in relation to resolutions to be voted upon at the EGM, i.e. the proposed amendments to the Constitution and the Proposed Loan Facility.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iv) Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including CPF investors, SRS investors and holders under depository agents) and who wish to submit their questions and/or pre-register to attend the Virtual Information Session will need to do so via the Pre-registration website by 5.00 p.m. on 8 February 2022. However, they must approach their respective agents so that the necessary arrangements can be made by the relevant agents.
- (v) The Company will endeavour to address all substantial and relevant questions (as may be determined by the Company in its sole discretion) received from members prior to and during the Virtual Information Session.
- (vi) The Company will publish the minutes of the Virtual Information Session on SGXNet and the Company's website by 10.00 a.m. on 16 February 2022. These minutes will include the responses to the questions referred to above (if applicable).

Participation in EGM proceedings via "Live Webcast/Live Audio Feed"

- 5. A member will be able to participate at the EGM by watching the EGM proceedings via the Live Webcast/Live Audio Feed. In order to do so, a member must pre-register by **10.00 a.m. on 19 February 2022** (i.e. the "**Pre-registration Deadline**") via the Pre-registration Website in order for the Company to authenticate his/her/its status as members.
- 6. To pre-register for the Live Webcast/Live Audio Feed, kindly access the Pre-registration Website, using either the latest versions of Chrome, Safari, or Edge.
- 7. Following the authentication of his/her/its status as a member, such member will receive an email on their authentication status and login credentials, including instructions on how to access the Live Webcast/Live Audio Feed of the proceedings of the EGM by **10.00 a.m. on 21 February 2022**.
- 8. Members who do not receive an email by **10.00 a.m. on 21 February 2022**, but have registered by the Pre-registration Deadline, should contact the webcast vendor, Big Bang Design Pte. Ltd., by email to webcast@bigbangdesign.co with the following details: (1) the full name of member, and (2) his/her/its identification/registration number.
- 9. Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the Live Webcast or listen to the Live Audio Feed of the EGM must approach their respective depository agents to pre-register at least seven (7) working days before the date of the EGM, i.e. by **5.00 p.m. on 10 February 2022** in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company.

Voting by Proxy

- 10. **A member will not be able to vote through the Live Webcast/Live Audio Feed. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM.** In appointing the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the instrument appointing the Chairman of the EGM as proxy ("**Proxy Form**"), failing which the appointment will be treated as invalid.
- 11. The Proxy Form for the EGM can be accessed at the Company's website at the following URL: http://pacificstar-dev.com/ir_announcements.html, and is made available with this Notice of EGM on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> on the same day.
- 12. The Chairman of the EGM, as a proxy, need not be a member of the Company.
- 13. The Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com,in either case, no later than **10.00 a.m. on 19 February 2022** (the "**Proxy Deadline**") being not less than 72 hours before the time appointed for the EGM.
- 14. A member who wishes to submit a Proxy Form must first **download, complete and sign the Proxy Form**, before submitting it by post (if using hard copy) to the address provided above, or scanning and sending it by email to the email address provided above. The proxy form may be downloaded from the Company's corporate website at the URL https://pacificstar-dev.com/ir_announcements.html and on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.
- 15. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**
- 16. The instrument appointing the Chairman of the EGM as proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

NOTICE OF EXTRAORDINARY GENERAL MEETING

17. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the EGM as proxy).
18. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions at least seven (7) working days before the date of the EGM, i.e. **5.00 p.m. on 10 February 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf no later than the Proxy Deadline.
19. In the case of a member whose Shares are entered against his/her/its name in the depository register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

No Despatch of Physical Copies

20. The following documents are made available to members on 31 January 2022 via SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: https://www.pacificstar-dev.com/ir_announcements.html:
 - (a) Circular;
 - (b) Notice of EGM; and
 - (c) Proxy Form in relation to the EGM.
21. There will be no despatch of printed copies of Circular, Notice of EGM and Proxy Form. Members are advised to check SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL https://www.pacificstar-dev.com/ir_announcements.html for the aforesaid documents.

Personal Data Privacy:

By pre-registering for the Virtual Information Session and/or Live Webcast/Live Audio Feed, submitting a Proxy Form appointing the Chairman of the EGM as proxy to attend and vote at the EGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

PROXY FORM

PACIFIC STAR DEVELOPMENT GROUP LIMITED

(Registration No. 199905084D)
(Incorporated in the Republic of Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING

This form of proxy has been made available on SGXNet at the following URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL https://www.pacificstar-dev.com/ir_announcements.html.

IMPORTANT:

- Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Extraordinary General Meeting ("EGM" or "Meeting") are set out in the Company's announcement dated 31 January 2022 which has been uploaded together with this proxy form on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: https://www.pacificstar-dev.com/ir_announcements.html on the same day.
- A member will not be able to attend the EGM in person. Please see the notes below for further details.
- If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 31 January 2022.
- This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the EGM to ensure their votes are submitted.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the EGM.

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

of _____ (Address)

being a member/members* of Pacific Star Development Limited (the "Company"), hereby appoint the **Chairman of the Meeting**, as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM" or the "Meeting") of the Company to be held by way of electronic means via "live" audio-video webcast or "live" audio-only feed ("**Live Webcast/Live Audio Feed**") on **Tuesday, 22 February 2022 at 10.00 a.m.** and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the EGM, please indicate with a "✓" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the EGM, please indicate with a "✓" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. **In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.**)

The proxy shall vote on the Resolutions set out in the Notice of EGM dated 31 January 2022 in accordance with my/our directions as indicated hereunder.

	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain***
(I) As Special Resolution			
Proposed Amendments to the Constitution			
(II) As Ordinary Resolutions:			
(1) Proposed Loan Facility to be granted by CH Biovest Pte. Limited to the Company			
(2) Use of part of the proceeds from the Loan for payment of the Outstanding Director Fees			

* Delete accordingly

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

*** Please indicate the number of shares that your proxy is directed to abstain from voting. If you tick (✓) in the abstain box for the resolution, you are directing your proxy not to vote on that resolution.

Dated this _____ day of _____ 2022

Total Number of Shares Held	
CDP	
Register of Members	
Total	

Signature(s) of Member(s)/Common Seal

*Delete where inapplicable

IMPORTANT. PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM



PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing measures to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the EGM will be held by way of electronic means and member will NOT be allowed to attend the EGM in person.
3. A member will not be able to vote through the Live Webcast/Live Audio Feed. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
4. The Chairman of the Meeting, as a proxy, need not be a member of the Company.
5. This Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com,in either case, no later than **10.00 a.m. on 19 February 2022 being not less than 72 hours before the time appointed for the EGM, failing which, this Proxy Form will not be treated as valid.**
6. A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.
7. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks, SRS approved banks or depository agents) to submit their voting instructions at least seven (7) working days before the date of the EGM, i.e. by 5.00 p.m. on 10 February 2022 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf no later than the Proxy Deadline.
8. In the case of a member whose Shares are entered against his/her/its name in the depository register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.
9. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**
10. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

Where this Proxy Form is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
- (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing this Proxy Form under hand and submitting a scanned copy of the signed Proxy Form by email.

Where this Proxy Form is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 31 January 2022.