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INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED
星謙發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 640)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is made by Infinity Development Holdings Company Limited (the “**Company**”) pursuant to Rule 13.10B of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange (the “**Stock Exchange**”) of Hong Kong Limited.

Please refer to the attached for the offer document (the “**Offer Document**”) published by the Company on the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 21 November 2025 in relation to the registration of the Offer Document.

The posting of the Offer Document on the website of the Stock Exchange is only for the purpose of facilitating equal dissemination of information to investors in Hong Kong and compliance with Rule 13.10B of the Listing Rules, and not for any other purposes.

The Offer Document must not be regarded as an inducement to subscribe for or purchase any securities of the Company in Hong Kong, and no such inducement is intended. No investment decision should be made based on the information contained in the Offer Document.

By order of the Board
Infinity Development Holdings Company Limited
Ip Ka Lun
Executive Director

Hong Kong, 21 November 2025

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Jeong Un, Mr. Ip Ka Lun and Mr. Stephen Graham Prince; and four independent non-executive Directors, namely Ms. Li Sin Man, Mr. Chan Wing Yau George, Mr. Simon Luk and Mr. Tay Peng Huat.



Infinity Development Holdings Company Limited 星謙發展控股有限公司

(Company Registration No.: 234794)
(Incorporated in the Cayman Islands on 15 December 2009)

Placement in respect of 35,100,000 New Shares at S\$0.39 each by way of placement, payable in full on application.

OFFER DOCUMENT DATED 21 NOVEMBER 2025

(Registered by the Singapore Exchange Securities Trading Limited (the "SGX-ST") acting as agent on behalf of the Monetary Authority of Singapore (the "Authority") on 21 November 2025)

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

Xandar Capital Pte. Ltd. ("Xandar Capital" or the "Sponsor and Issue Manager") has made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all the ordinary shares of par value HK\$0.02 each (the "Shares") in the capital of Infinity Development Holdings Company Limited (the "Company") already issued, and the new Shares (the "New Shares" or "Placement Shares") which are the subject of this Placement on Catalist. Acceptance of applications for the New Shares will be conditional upon, *inter alia*, the issue of the New Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares and the New Shares on Catalist. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, the Sponsor and Issue Manager and the Placement Agent. The dealing in, and quotation of, our existing issued Shares, and the New Shares, will be in Singapore dollars.

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

This Placement is made in or accompanied by this Offer Document that has been lodged with and registered by the SGX-ST acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

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

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

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of our Shares, or allot, allocate, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities or the allotment, allocation, issue or sale of any securities, on the basis of this Offer Document.

Investing in our Shares involves risks which are described in the section entitled "RISK FACTORS" of this Offer Document.

Sponsor and Issue Manager



Xandar Capital Pte. Ltd.

(Company Registration No.: 200002789M)
(Incorporated in the Republic of Singapore)

Placement Agent



KGI Securities (Singapore) Pte. Ltd.

(Company Registration No.: 195500144H)
(Incorporated in the Republic of Singapore)

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	leong Un (Chairman and Chief Executive Officer) Ip Ka Lun (Executive Director) Stephen Graham Prince (Executive Director) Li Sin Man (Lead Independent Director) Simon Luk (Independent Director) Chan Wing Yau George (Independent Director) Tay Peng Huat (Independent Director)
COMPANY SECRETARY	:	Shum Hoi Luen (FCCA, FCPA, FCG, HKFCG)
REGISTERED OFFICE	:	P.O. Box 31119 Grand Pavilion Hibiscus Way 802 West Bay Road Grand Cayman KY1-1205 Cayman Islands
PRINCIPAL PLACE OF BUSINESS IN HONG KONG	:	Units 2201-2202, 22/F Alliance Building 133 Connaught Road Central Hong Kong
CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE	:	Vistra (Cayman) Limited P.O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road Grand Cayman KY1-1205 Cayman Islands
HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE	:	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
SINGAPORE BRANCH SHARE REGISTRAR AND TRANSFER OFFICE	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 9 Raffles Place #26-01, Republic Plaza Singapore 048619
SPONSOR AND ISSUE MANAGER	:	Xandar Capital Pte. Ltd. 3 Shenton Way #24-02 Shenton House Singapore 068805
PLACEMENT AGENT	:	KGI Securities (Singapore) Pte. Ltd. 4 Shenton Way #13-01, SGX Centre 2 Singapore 068807

CORPORATE INFORMATION

SOLICITORS TO THE PLACEMENT AND LEGAL ADVISERS TO OUR COMPANY ON SINGAPORE LAW	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
LEGAL ADVISERS TO THE SPONSOR AND ISSUE MANAGER, AND THE PLACEMENT AGENT ON SINGAPORE LAW	:	Bird & Bird ATMD LLP 2 Shenton Way #18-01 SGX Centre 1 Singapore 068804
LEGAL ADVISERS TO OUR COMPANY ON HONG KONG LAW	:	Michael Li & Co. (in association with CLKW Lawyers LLP) 1901A, 1902 & 1902A, 19/F, New World Tower I, 16-18 Queen's Road Central, Central, Hong Kong
LEGAL ADVISERS TO OUR COMPANY ON PRC LAW	:	Jingtian & Gongcheng 34/F, Tower 3, China Central Place, 77 Jianguo Road, Beijing, China 100025
LEGAL ADVISERS TO OUR COMPANY ON INDONESIA LAW	:	ABNR Counsellors at Law Graha CIMB Niaga, 24 th Floor Jl. Jend. Sudirman Kav. 58 Jakarta 12190
LEGAL ADVISERS TO OUR COMPANY ON MACAU LAW	:	Rato, Ling, Lei & Cortés – Advogados (Lektou) Avenida da Amizade, 555 Macau Landmark, Office Tower 23 rd Floor Macau SAR
LEGAL ADVISERS TO OUR COMPANY ON VIETNAM LAW	:	Vision & Associates Legal Unit 308-310, 3 rd Floor, Hanoi Towers, 49 Hai Ba Trung Str, Cua Nam Ward, Hanoi City, Vietnam
LEGAL ADVISERS TO OUR COMPANY ON TAIWAN LAW	:	Chen & Lin Attorneys-at-Law Bank Tower, 12 th Floor, No. 205, Dunhua North Road, Songshan District, Taipei 105406, Taiwan
LEGAL ADVISERS TO OUR COMPANY ON CAYMAN ISLANDS LAW AND BVI LAW	:	Conyers Dill & Pearman Pte. Ltd. 9 Battery Road, #20-01 MYP Centre Singapore 049910

CORPORATE INFORMATION

LEGAL ADVISERS TO OUR COMPANY ON BANGLADESH LAW	:	Doulah & Doulah 1 st and 2 nd Floors, Plot 153/2, Road 2/2, Block-A Section-12, Mirpur Dhaka-1216, Bangladesh
LEGAL ADVISERS TO OUR COMPANY ON INDIA LAW	:	JSA Advocates & Solicitors 3rd Floor, Tower C, World Trade Centre Nauroji Nagar, New Delhi – 110 029, India
LEGAL ADVISERS TO OUR COMPANY ON CAMBODIA LAW	:	Rajah & Tann Sok & Heng Law Office Vattanac Capital Office Tower, Level 17 No. 66, Preah Monivong Boulevard Sangkat Wat Phnom, Khan Daun Penh 120211, Phnom Penh, Cambodia
LEGAL ADVISERS TO OUR COMPANY ON MALAYSIA LAW	:	Christopher & Lee Ong Level 22 Axiata Tower No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470, Kuala Lumpur, Malaysia
INDEPENDENT AUDITOR AND REPORTING ACCOUNTANT	:	RSM SG Assurance LLP 8 Wilkie Road, #03-08 Wilkie Edge Singapore 228095 Partner-in-Charge: Tan Wei Ling (Member of the Institute of Singapore Chartered Accountants)
INDUSTRY CONSULTANT	:	Converging Knowledge Pte Ltd 19 Keppel Road, #07-04 Jit Poh Building Singapore 089058
RECEIVING BANKER	:	The Bank of East Asia, Limited, Singapore Branch 60 Robinson Road BEA Building Singapore 068892

CORPORATE INFORMATION

PRINCIPAL BANKERS OF OUR GROUP

: Banco Tai Fung, S.A.R.L., Macau
Tai Fung Bank Headquarters Building
418, Alameda Dr. Carlos d' Assumpção
Macau

The Bank of East Asia, Ltd., Macau
No. 322 Alameda Dr. Carlos
D'Assumpcao, Fu Tat Fa Yuen,
R/C AP to AW, Macau

Development Bank of Singapore (Hong Kong)
Limited (Macau Branch)
Nos. 5 a 7 E Da Rua De Santa Clara
Edif. Ribeiro, Loja C e D,
Macau

DEFINITIONS

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

Group Companies

“Company” : Infinity Development Holdings Company Limited 星謙發展控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability

“Group” : Our Company and our subsidiaries as at the date of this Offer Document

Subsidiaries

“Aerial Bright” : Aerial Bright Limited, a company limited by shares incorporated in the BVI

“Ally Link” : Ally Link Investments Limited, a company limited by shares incorporated in the BVI

“Big Capital” : Big Capital Development Limited, a private company limited by shares incorporated in Hong Kong

“Grand Infinite” : Grand Infinite Holdings Limited, a company limited by shares incorporated in the BVI

“Greenfield” : Greenfield Company Limited, 青草有限公司 (*in Chinese*) or Agência Comercial Greenfield, Limitada (*in Portuguese*), a private limited company by quotas incorporated in Macau

“Guangzhou Xingqian” : Guangzhou Xingqian New Energy Company Limited (广州星谦新能源有限责任公司) (*in Chinese*), a limited liability company incorporated in the PRC

“Huu Tin Hang” : Huu Tin Hang Company Limited (CÔNG TY TNHH HỮU TÍN HÀNG) (*in Vietnamese*), a single member limited liability company incorporated in Vietnam

“Keen Castle” : Keen Castle Limited, a company limited by shares incorporated in the BVI

“lao Son Hong Paint Company” : lao Son Hong Paint Company Limited, 友信行有限公司 (*in Chinese*) or lao Son Hong Tinta e Vernizes, Limitada (*in Portuguese*), a private limited company by quotas incorporated in Macau

“Macson” : Macson Company Limited, 信諾有限公司 (*in Chinese*) or Agência Comercial Macson, Limitada (*in Portuguese*), a private limited company by quotas incorporated in Macau

DEFINITIONS

“PT Zhong Bu Adhesive”	:	PT Zhong Bu Adhesive Indonesia, a company incorporated in Indonesia
“PT Zhongbu Resins”	:	PT Zhongbu Resins Indonesia, a company incorporated in Indonesia
“Rich Castle”	:	Rich Castle Holdings Limited, 堡裕控股一人有限公司 (<i>in Chinese</i>) or Rich Castle Gestão de Participações Sociais Sociedade Unipessoal Limitada (<i>in Portuguese</i>), a sole shareholder private limited company by quotas incorporated in Macau
“Righton”	:	Righton Company Limited, 緯頓有限公司 (<i>in Chinese</i>) or Agência Comercial Righton, Limitada (<i>in Portuguese</i>), a private limited company by quotas incorporated in Macau
“Star Grand”	:	Star Grand International Limited, a private company limited by shares incorporated in Hong Kong
“Zhong Bu (Centresin)”	:	Zhong Bu (Centresin) Adhesive & Chemical Company Limited ((中部樹脂化工有限公司) (<i>in Chinese</i>) or Centresin – Adesivos e Químicos, Lda. (<i>in Portuguese</i>)), a private limited company by quotas incorporated in Macau
“Zhong Bu Malaysia”	:	Zhong Bu Management Limited, a company limited by shares incorporated in Labuan, Malaysia
“Zhong Bu India”	:	Zhong Bu Development India Private Limited, a company limited by shares incorporated in India
“Zhong Bu Singapore”	:	Zhong Bu Development Singapore Pte. Ltd., a company limited by shares incorporated in Singapore
“Zhong Bu Taiwan”	:	Zhong Bu Development Taiwan Co., Ltd., a limited company incorporated in Taiwan
“Zhong Bu Vietnam”	:	Zhong Bu Adhesive (Vietnam) Co., Ltd (CÔNG TY TNHH NHỰA CÂY TRUNG BỘ (VIỆT NAM)) (<i>in Vietnamese</i>), a single member limited liability company incorporated in Vietnam
“Zhuhai Centresin”	:	Zhuhai Centresin Chemical Product Company Limited (珠海市泽涛粘合制品有限公司) (<i>in Chinese</i>), a limited liability company incorporated in the PRC

DEFINITIONS

Associated Companies

- “Hunan Honestone” : Hunan Honestone New Energy Company Limited (湖南诚石新能源有限公司) (*in Chinese*), a limited liability company incorporated in the PRC
- “Warrant Parking” : Warrant Parking Management Limited, 華聯達泊車管理有限公司 (*in Chinese*) or Companhia de Gestão de Parques de Estacionamento Warrant, Limitada (*in Portuguese*), a private limited company by quotas incorporated in Macau

General

- “6M2024” : The six (6)-month financial period ended 31 March 2024
- “6M2025” : The six (6)-month financial period ended 31 March 2025
- “Application Form” : The printed application form to be used for the purpose of the Placement and which forms part of this Offer Document
- “Application List” : The list of applications for the subscription for the Placement Shares
- “Articles of Association” : The articles of association of our Company, as amended from time to time
- “Associate” : (a) In relation to any director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Audit Committee” : The audit committee of our Company as at the date of this Offer Document, unless otherwise stated

DEFINITIONS

<i>“Authority” or “MAS”</i>	:	The Monetary Authority of Singapore
<i>“Board” or “Board of Directors”</i>	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“business trust”</i>	:	Has the same meaning as in Section 2 of the Business Trusts Act 2004 of Singapore
<i>“BVI”</i>	:	British Virgin Islands
<i>“CAGR”</i>	:	Compound Annual Growth Rate
<i>“Cambodia”</i>	:	Kingdom of Cambodia
<i>“Catalist”</i>	:	The Catalist Board of the SGX-ST
<i>“Catalist Rules”</i>	:	Section B of the Listing Manual dealing with the rules of Catalist, as from time to time amended, modified or supplemented
<i>“Cayman Islands Companies Act”</i>	:	The Companies Act (As Revised) of the Cayman Islands, as amended, modified or supplemented from time to time
<i>“Cayman Islands Companies Registry”</i>	:	The Registry of Companies of the Cayman Islands
<i>“CCASS”</i>	:	The Central Clearing and Settlement System operated by the Hong Kong Securities Clearing Company Limited
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CEO”</i>	:	Chief Executive Officer
<i>“Code of Corporate Governance”</i>	:	The Code of Corporate Governance 2018, as from time to time, amended, modified or supplemented
<i>“Controlling Shareholder”</i>	:	A person who:– (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
<i>“Director(s)”</i>	:	The director(s) of our Company as at the date of this Offer Document, unless otherwise stated
<i>“EPS”</i>	:	Earnings per Share

DEFINITIONS

<i>“Executive Directors”</i>	:	The executive directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
<i>“FY”</i>	:	Financial year ended or ending 30 September, as the case may be
<i>“HKSE”</i>	:	The Stock Exchange of Hong Kong Limited
<i>“HKSE Listing Rules”</i>	:	The Listing Rules of the Stock Exchange of Hong Kong Limited
<i>“Hong Kong”</i>	:	Hong Kong Special Administrative Region of the People’s Republic of China
<i>“Independent Directors”</i>	:	The independent directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Labuan”</i>	:	Federal Territory of Labuan, Malaysia
<i>“Latest Practicable Date”</i>	:	17 September 2025
<i>“Lead Independent Director”</i>	:	The lead independent director of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Listing”</i>	:	The proposed listing and quotation of our Shares on the Catalist
<i>“Listing Manual”</i>	:	The provisions of Sections A and B of the listing manual of the SGX-ST as from time to time amended, modified or supplemented
<i>“Macau”</i>	:	Macau Special Administrative Region of PRC
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Management and Sponsorship Agreement”</i>	:	The management and sponsorship agreement dated 21 November 2025 entered into between our Company and Xandar Capital Pte Ltd the details of which are set out in the section entitled “Plan of Distribution – Sponsorship, Management and Placement Arrangements” of this Offer Document
<i>“Memorandum” or “Memorandum of Association”</i>	:	The memorandum of association of our Company, as amended from time to time
<i>“Mr. leong” or “Mr. leong Un”</i>	:	leong Un

DEFINITIONS

<i>“NAV”</i>	:	Net asset value
<i>“New Shares”</i>	:	The 35,100,000 new Shares for which our Company invites applications to subscribe for pursuant to the Placement, subject to and on the terms and conditions set out in this Offer Document
<i>“New Indonesia Plant”</i>	:	The establishment of a new production plant in Indonesia by our Group on land acquired for industrial use as disclosed in the Company’s announcement published on the website of the HKSE and dated 13 April 2022
<i>“Nomination Committee”</i>	:	The nomination committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“NTA”</i>	:	Net tangible assets
<i>“Offer Document”</i>	:	This offer document dated 21 November 2025 issued by our Company in respect of the Placement
<i>“PDPA”</i>	:	The Personal Data Protection Act 2012 of Singapore, as from time to time amended, modified, or supplemented
<i>“PER”</i>	:	Price earnings ratio
<i>“Period Under Review”</i>	:	The period which comprises FY ended 30 September 2022 (“FY2022”), FY ended 30 September 2023 (“FY2023”) and FY ended 30 September 2024 (“FY2024”) and 6M2025
<i>“Philippines”</i>	:	The Republic of Philippines
<i>“Placement”</i>	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription of the Placement Shares at the Placement Price, subject to and on the terms and conditions of this Offer Document
<i>“Placement Agent”</i>	:	KGI Securities (Singapore) Pte. Ltd.
<i>“Placement Agreement”</i>	:	The placement agreement dated 21 November 2025 entered into between our Company and the Placement Agent, the details of which are set out in the section entitled “Plan of Distribution – Sponsorship, Management and Placement Arrangements” of this Offer Document
<i>“Placement Price”</i>	:	S\$0.39 for each Placement Share
<i>“Placement Shares”</i>	:	The New Shares which are the subject of the Placement

DEFINITIONS

<i>“PRC”</i>	:	The People’s Republic of China, excluding Hong Kong, Macau and Taiwan
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<i>“Securities and Futures Regulations”</i>	:	The Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, modified or supplemented from time to time
<i>“Service Agreements”</i>	:	The service agreements entered into between our Company and each of Mr. Ieong Un, Mr. Ip Ka Lun, Mr. Stephen Graham Prince, Mr. Chan Wing Yau George, Mr. Simon Luk, Ms. Li Sin Man and Mr. Tay Peng Huat, as described in the section entitled “Directors, Executive Officers and Staff – Service Agreements” of this Offer Document
<i>“SFA”</i>	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
<i>“SGXNET”</i>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context permits, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Share Consolidation”</i>	:	The consolidation of every two (2) ordinary shares of par value of HK\$0.01 each in the capital of our Company into one (1) Share of par value HK\$0.02 each. The Share Consolidation has been effected on 20 October 2025
<i>“Shares”</i>	:	Ordinary shares of par value HK\$0.02 each in the capital of our Company
<i>“Singapore”</i>	:	The Republic of Singapore
<i>“Singapore Companies Act”</i>	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<i>“Singapore Take-over Code”</i>	:	The Singapore Code on Take-overs and Mergers

DEFINITIONS

“*Southeast Asia*” : The region comprising Malaysia, Singapore, Indonesia, the Philippines, Cambodia, Thailand, Vietnam, the Lao People’s Democratic Republic, Myanmar, Brunei Darussalam

“*Substantial Shareholder*” : A person who has an interest in our Shares, the total votes attached to which is not less than 5.0% of the total votes attached to all the issued voting shares (excluding treasury shares) in our Company

“*United States*” : The United States of America

Currencies, Units and Others

“*BDT*” : Bangladeshi Taka, the official currency of Bangladesh

“*HK\$*” or “*HKD*” : Hong Kong Dollar, the official currency of Hong Kong

“*IDR*” : Indonesian Rupiah, the official currency of Indonesia

“*RMB*” : Renminbi, the official currency of the PRC

“*S\$*” and “*cents*” : Singapore Dollar and cents, respectively, the official currency of Singapore

“*US\$*” or “*USD*” : United States Dollar, the official currency of the United States of America

“*VND*” : Vietnam Dong, the official currency of Vietnam

“*₹*” : Indian Rupee, the official currency of India

“*%*” or “*per cent*” : Per centum or percentage

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

The term “**entity**” shall have the same meaning ascribed to it in Section 2 of the SFA, while the terms “**associated company**”, “**related corporation**”, “**related entity**” and “**subsidiary**” shall have the same meanings ascribed to them respectively in Paragraph 1 of the Fourth Schedule of the Securities and Futures Regulations.

The expressions “**entity at risk**”, “**interested person**”, “**interested person transaction**” shall have the meanings ascribed to them respectively in the Catalist Rules.

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

DEFINITIONS

Any reference in this Offer Document and the Application Form to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Singapore Companies Act, the SFA, the Catalist Rules, the Securities and Futures Regulations, the Cayman Islands Companies Act or any statutory modification thereof and used in this Offer Document and the Application Form shall, where applicable, have the meaning ascribed to it under the Singapore Companies Act, the SFA, the Catalist Rules, the Securities and Futures Regulations, the Cayman Islands Companies Act respectively, or any statutory modification thereof, as the case may be.

Any reference in this Offer Document and the Application Form to Shares being allotted or allocated to an applicant includes allotment or allocation to CDP for the account of that applicant.

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

Any reference to “we”, “us”, “our”, “ourselves” or other grammatical variations thereof in this Offer Document is a reference to our Company, our Group or any member of our Group as the context requires.

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

Any discrepancies in the tables included herein between the total sum of amounts listed and the totals shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Where applicable, figures and percentages are rounded off.

The information on our website, the website of the HKSE, or any website directly or indirectly linking to such websites does not form part of this Offer Document and should not be relied on.

GLOSSARY OF TECHNICAL TERMS

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

<i>“Acetone”</i>	:	A volatile, flammable solvent produced as a by-product of the cumene process using petrochemical derivatives; widely used in chemical manufacturing and industrial applications.
<i>“CR”</i>	:	Chloroprene rubber
<i>“CR adhesive”</i>	:	A CR-based adhesive known for its strong initial tack, good heat resistance, and durability, commonly used for bonding leather, rubber, and synthetic materials in footwear manufacturing.
<i>“Ethyl acetate”</i>	:	An organic solvent synthesised from ethanol and acetic acid, often used in paints, coatings, and adhesives; typically derived from petrochemical feedstocks.
<i>“EVA”</i>	:	Ethylene-vinyl acetate, a lightweight and flexible foam material commonly used in footwear midsoles for cushioning and shock absorption.
<i>“EVA primer”</i>	:	A surface treatment agent applied to EVA foam to enhance adhesive bonding by improving surface polarity in footwear production.
<i>“Grafted CR adhesive”</i>	:	A type of CR adhesive modified through grafting to enhance properties such as bonding strength, heat resistance, or compatibility with various substrates.
<i>“Hytrel”</i>	:	A thermoplastic elastomer used in footwear for its flexibility, durability, and lightweight properties.
<i>“Injection EVA”</i>	:	EVA material that has been processed using injection moulding.
<i>“Methyl ethyl ketone” or “MEK”</i>	:	A fast-evaporating solvent commonly used in adhesives and primers for its strong dissolving power.
<i>“Multi-functional mesh primer”</i>	:	A chemical product used to treat mesh materials, improving their adhesion, durability, and resistance to wear in footwear production.
<i>“Phylon”</i>	:	A lightweight, flexible and shock-absorbing material commonly used in midsoles, particularly for athletic footwear.

GLOSSARY OF TECHNICAL TERMS

<i>“Polychloroprene adhesive”</i>	:	A synthetic rubber-based adhesive known for its strong initial tack, flexibility, and resistance to heat, oil, and weathering, commonly used in footwear and industrial bonding applications.
<i>“Polyester polyol”</i>	:	A key component in polyurethane production, formed by the reaction of diacids and glycols, both of which are typically petrochemical derivatives.
<i>“Polyolefin”</i>	:	A family of lightweight, durable thermoplastic polymers commonly used in footwear components for their chemical resistance and flexibility.
<i>“PU”</i>	:	Polyurethane, a versatile polymer used in footwear for uppers and adhesives, known for its durability and flexibility.
<i>“PU adhesive”</i>	:	A PU-based adhesive valued for its strong bonding strength, durability, and flexibility, widely used in the footwear industry for bonding upper materials to soles.
<i>“PVC”</i>	:	Polyvinyl chloride, a versatile plastic material commonly used in footwear components for its durability, flexibility, and cost-effectiveness.
<i>“PVC primer”</i>	:	A surface treatment agent used to prepare PVC materials by cleaning and activating the surface to ensure optimal adhesion with adhesives in footwear applications.
<i>“Rubber primer”</i>	:	A chemical treatment agent applied to rubber surfaces to improve adhesive bonding strength by enhancing surface compatibility and promoting stronger adhesion in footwear production.
<i>“Synthetic leather primer”</i>	:	A chemical applied to synthetic leather surfaces to enhance adhesion by promoting surface activation and improving bonding with adhesives in footwear manufacturing.
<i>“Synthetic resin”</i>	:	A broad category of man-made polymers produced from petrochemical compounds such as styrene, ethylene, or propylene, used in adhesives, plastics, and coatings.
<i>“TPR”</i>	:	Thermoplastic rubber, a flexible and durable material used in footwear soles that combines the properties of rubber and plastic for enhanced wear resistance and comfort.

GLOSSARY OF TECHNICAL TERMS

<i>“TPR primer”</i>	:	A specialised primer used to prepare TPR surfaces, improving adhesion by activating and cleaning the material for better bonding with adhesives in footwear manufacturing.
<i>“TR”</i>	:	Thermoplastic rubber, a material that combines the elasticity of rubber with the processability of plastics, commonly used in footwear soles for comfort and durability.
<i>“Toluene-free PU adhesive”</i>	:	A PU-based adhesive formulated without toluene, offering a safer and more environmentally friendly alternative while maintaining strong bonding performance in footwear manufacturing.
<i>“Toluene-free UV primer”</i>	:	A chemical that uses ultraviolet (UV) curing technology without toluene, designed to enhance surface properties and adhesion for EVA materials in footwear manufacturing while being safer and more environmentally friendly.
<i>“UV Primer with dipping process”</i>	:	A liquid chemical used to treat footwear materials by dipping process, which is then dried and cured using ultraviolet (UV) light to enhance surface adhesion.
<i>“Volatile Organic Compounds” or “VOC”</i>	:	Organic chemicals that easily evaporate at room temperature, often found in adhesives and primers.
<i>“Vulcanised rubber”</i>	:	Rubber that has been vulcanised with sulphur to improve its strength, elasticity, and durability, commonly used in durable footwear soles.
<i>“Water-based adhesive”</i>	:	An adhesive that is a kind of water dispersion, without VOC emissions and improved worker safety, commonly used as an eco-friendly option in footwear production.
<i>“Water-based spray adhesive”</i>	:	A water-based adhesive applied via spraying, designed for even coverage and quick application, without VOC, which is a user-friendly solution for footwear production.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

These forward-looking statements, including without limitation, statements as to:

- (a) our revenue and profitability;
- (b) expected growth in demand;
- (c) expected industry trends and development;
- (d) anticipated expansion plans and development plans;
- (e) cost measures; and
- (f) other matters discussed in this Offer Document regarding matters that are not historical facts,

are only predictions.

These forward-looking statements reflect our current views with respect to future events and are not guarantees of future performance.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others, the following:

- (a) changes in political, social, economic, business and financial conditions and stock or securities market conditions and the regulatory environment in Singapore and other jurisdictions in which we conduct our business or expect to conduct business;
- (b) changes in currency exchange or interest rates;
- (c) our inability to implement our business strategies and future plans;
- (d) our inability to realise our anticipated growth strategies and expected internal growth;
- (e) changes in the availability and prices of our products and services;
- (f) changes in customers’ preferences;
- (g) changes in competitive conditions and our ability to compete under these conditions from time to time;

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

- (h) changes in our future capital needs and the availability of financing and capital to fund these needs;
- (i) the factors described under the section entitled “Risk Factors” of this Offer Document; and
- (j) other factors beyond our control, including but not limited to, prolonged lockdowns and/or travel restrictions imposed by authorities in jurisdictions where we operate or carry out our business in the event of epidemics and/or pandemics.

The list of factors is not exhaustive. Additional factors that could cause our actual results, performance or achievements to differ materially from those expected, expressed or implied by the forward-looking statements in this Offer Document include, but are not limited to those discussed in the sections entitled “Risk Factors”, “Dividend Policy”, “General Information on our Group” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document. All forward-looking statements made by or attributable to our Company, the Sponsor and Issue Manager, and the Placement Agent or persons acting on our or their behalf, contained in this Offer Document are expressly qualified in their entirety by such factors.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Offer Document, we advise you not to place undue reliance on those statements which apply only as at the date of this Offer Document. Neither our Company, the Sponsor and Issue Manager, the Placement Agent nor any other person represents or warrants to you that our actual future results, performance or achievements will be as discussed in those statements.

The sections entitled “General Information on our Group – Prospects” and “General Information on our Group – Trend Information” of this Offer Document as well as other parts of this Offer Document may (to the extent applicable) contain data, information, financial analysis, forecast, figures and statements (including market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications) which are forward-looking and based on certain assumptions and projections. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. Neither we, the Sponsor and Issue Manager, the Placement Agent, nor person(s) acting on our or their behalf have conducted an independent review or verified the accuracy or veracity of such data, information, financial analysis, forecast, figures and statements, assumptions and projections (the “**Experts’ Data**”). No representation is made by us, the Sponsor and Issue Manager, the Placement Agent or any person(s) acting on our or their behalf in respect of any of the Experts’ Data and neither we, the Sponsor and Issue Manager, nor person(s) acting on our or their behalf take any responsibility for any of the Experts’ Data, and shall not be obliged to provide any updates on the same.

All forward-looking statements by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. Further, our Company, the Sponsor and Issue Manager, and the Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

events occur in the future. We are, however, subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Placement, we become aware of (a) a false or misleading statement or matter in this Offer Document; (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA, the Securities and Futures Regulations or the Catalist Rules; or (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority which would have been required by Section 243 of the SFA, the Securities and Futures Regulations or the Catalist Rules to be included in this Offer Document, if it had arisen before this Offer Document was lodged, and that is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor and Issue Manager, and the Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority.

ENFORCEABILITY OF CIVIL LIABILITIES

Cayman Islands

Our Company is incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as:

- the political and economic stability;
- an effective judicial system;
- a favourable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany an incorporation in the Cayman Islands. These disadvantages include but are not limited to that the Cayman Islands may have a less developed body of securities laws as compared to Hong Kong and Singapore and these securities laws may provide less protection to investors as compared to Hong Kong and Singapore.

Most of our operations are currently conducted outside of Singapore, and substantially all of our assets are located outside of Singapore. A majority of our Directors and Executive Officers (as defined herein) are nationals or currently residents outside of Singapore. As a result, depending on the subject of a claim, it may be difficult for a Shareholder within Singapore to effect service of process upon these individuals (to the extent such service is to be effected in another jurisdiction), or to bring an action against us or these individuals in Singapore (to the extent such action is to be brought in another jurisdiction), or to enforce against us or them judgments obtained in Singapore courts (as judgments obtained in a foreign jurisdiction, as applicable), including judgments predicated upon the civil liability provisions of the securities laws of Singapore.

There is uncertainty as to whether the courts of the Cayman Islands would (i) recognise or enforce against us judgments of courts of Hong Kong or Singapore predicated upon the civil liability provisions of the securities laws of Hong Kong or Singapore (as the case may be); and (ii) in original actions brought in the Cayman Islands, impose liabilities against us predicated upon the civil liability provisions of the securities laws of Hong Kong or Singapore. Although there is no statutory enforcement in the Cayman Islands of judgments obtained in Hong Kong or Singapore, the courts of the Cayman Islands may recognise as a valid judgment, a final and conclusive judgment in personam obtained in the courts of Hong Kong or Singapore against us under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) or, in certain circumstances, an in personam judgment for non-monetary relief, and may give a judgment based thereon, provided that (a) such courts had proper jurisdiction over the parties subject to such judgment; (b) such courts did not contravene the rules of natural justice of the Cayman Islands; (c) such judgment was not obtained by fraud; (d) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands; (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands; and (f) there is due compliance with the correct procedures under the laws of the Cayman Islands. However, the Cayman Islands courts may not enforce a judgment obtained from the courts of Hong Kong or Singapore under civil liability provisions of the securities laws of Hong Kong or Singapore if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

ENFORCEABILITY OF CIVIL LIABILITIES

Hong Kong

A foreign judgment may or may not be enforced in Hong Kong. A foreign judgment in civil and commercial matters (other than a judgment from the PRC) may be enforced in Hong Kong by one of two avenues, either through the Foreign Judgments (Reciprocal Enforcement) Ordinance (Cap. 319 of the Laws of Hong Kong) (the “**FJR Ordinance**”), or by common law. The recognition and enforcement of judgments from the PRC in civil and commercial matters in Hong Kong are governed by two regimes, namely (1) the Mainland Judgments (Reciprocal Enforcement) Ordinance (Cap. 597 of the Laws of Hong Kong) (the “**1st Regime**” which came into effect on 1 August 2008), and (2) the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645 of the Laws of Hong Kong) and relevant rules (Cap. 645A of the Laws of Hong Kong) (the “**2nd Regime**” which came into effect on 29 January 2024).

The FJR Ordinance enables the enforcement of foreign judgments (other than judgments from the PRC) through a process of registration of judgments from the superior courts in designated countries and certain parts of the Commonwealth which have reciprocal arrangements with Hong Kong, provided that requirements under the FJR Ordinance are met. Such requirements include (among other things) that the foreign judgment is final and conclusive as between the parties thereto, and there is payable under the foreign judgment a sum of money not being a sum payable in respect of taxes or a fine or other penalty. A judgment made by, for example, a Singapore court having unlimited jurisdiction can be enforced in Hong Kong under the FJR Ordinance. The defences that are available to a defendant in enforcement proceedings under the FJR Ordinance include lack of jurisdiction of the original court, failure of the defendant to receive notice of the proceedings before the original court in sufficient time to enable him to defend the proceedings and did not appear, fraud, and contrary to public policy.

Foreign judgments in civil and commercial matters deriving from countries other than those designated under the FJR Ordinance and judgments from the PRC which met the requirements under either the 1st Regime or the 2nd Regime, such as the USA and the Cayman Islands, may be enforced by common law, meaning that proceedings for enforcement of such a foreign judgment (e.g. a USA or a Cayman Islands judgment) may be commenced in the Hong Kong courts by a Writ of Summons. In a common law action for enforcement of a foreign judgment in civil and commercial matters in Hong Kong, the enforcement is subject to various conditions, including but not limited to, that the foreign judgment is a final judgment conclusive upon the merits of the claim, and such a judgment must be for a fixed sum and must also come from “competent” court as determined by the private international law rules applied by the Hong Kong courts. The defences that are available to a defendant in a common law action brought on the basis of a foreign judgment include lack of jurisdiction, breach of natural justice, fraud, and contrary to public policy.

Under the 1st Regime, recognition and enforcement of judgments from the PRC in Hong Kong are on the condition that certain requirements are met, including but not limited to, that the judgment must be a final and conclusive judgment enforceable in the PRC covering money judgments given by a designated court from the PRC exercising its jurisdiction in agreements where the parties concerned have agreed in writing to designate a people’s court from the PRC as the forum to have sole jurisdiction for resolving such disputes, and the judgment orders the payment of a sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty). The 1st Regime will apply to judgments from the PRC (1) dated between 1 August 2008 and 28 January 2024, and (2) dated 29 January 2024 or thereafter dealing with a written agreement dated between 1 August 2008 and 28 January 2024 designating a people’s court from the PRC as the forum to have sole jurisdiction for resolving such disputes.

ENFORCEABILITY OF CIVIL LIABILITIES

As from 29 January 2024, the 2nd Regime came into force, which no longer require the existence of a written agreement designating a people's court from the PRC as the forum to have sole jurisdiction for resolving such disputes. The 2nd Regime will apply to judgments dated on or after 29 January 2024. The 2nd Regime covers judgments that are civil and commercial in nature (including both monetary and non-monetary rulings), as well as judgments which are criminal in nature but contain an order for the payment of a sum of money in respect of compensation and damages. A judgment from the PRC includes judgment, ruling, conciliatory statement or order of payment, but does not include a ruling given in respect of an interim measure.

Singapore

Generally, final money judgments and non-money judgments issued by the courts in Hong Kong may be enforceable by way of registration in the Singapore courts, pursuant to the Reciprocal Enforcement of Foreign Judgments Act 1959 (the "**REFJA**") read with the Reciprocal Enforcement of Foreign Judgments (Hong Kong Special Administrative Region of the People's Republic of China) Order, subject to certain conditions being met. A "money judgment" is defined in the REFJA as "a judgment under which a sum of money is payable, not being a sum payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalty"; while a "non-money judgment" is defined in the REFJA as "a judgment that is not a money judgment, but does not include a judgment under which a sum of money is payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalty". The REFJA expressly excludes "a judgment under which a sum of money is payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalty", suggesting that it is not intended to apply to statutory or regulatory-related civil penalties. The definition of "judgment" in the REFJA is also instructive. As a general rule, it only extends to judgments in civil proceedings. Judgments in criminal proceedings are narrowly limited to "the payment of a sum of money in respect of compensation or damages to an injured party". It would appear from the above that the legislature had intended for the REFJA to only apply to final civil judgments, and only to a very limited exception where a criminal court orders restitution in favour of an injured party. We are not aware of any precedents where judgments of courts in Hong Kong based upon the civil liability provisions of the securities laws of Hong Kong which permit punitive or penal awards have been recognised or enforced by the Singapore court. In our view, given the limited scope of the REFJA, it is unlikely the Singapore courts would recognise or enforce any judgment from the courts of Hong Kong against us, our Directors and Executive Officers, based upon the civil liability provisions of the securities laws of Hong Kong, to the extent that the judgment is punitive or penal.

DETAILS OF THE PLACEMENT

SELLING RESTRICTIONS

Singapore

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the Placement Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws of such jurisdictions. Persons who may come into possession of this Offer Document are required by us, the Sponsor and Issue Manager and the Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Sponsor and Issue Manager and/or the Placement Agent.

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

By accepting this Offer Document, you agree to be bound by the limitations set out in this section entitled “Selling Restrictions” of this Offer Document. No part of this Offer Document may be (i) copied, photocopied or duplicated in any form by any means, or (ii) distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

Hong Kong

The Placement is not an offer for sale to the public in Hong Kong and it is not our intention that the Placement Shares be offered for sale to the public in Hong Kong.

The contents of this Offer Document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Placement. If you are in any doubt about any of the contents of this Offer Document, you should obtain independent professional advice. The Placement has not been authorised by the HKSE and the Securities and Futures Commission in Hong Kong pursuant to section 104 of the Securities and Futures Ordinance (Chapter 571) (“SFO HK”) nor has this Offer Document been registered by the Registrar of Companies in Hong Kong pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32) (“C(WUMP)O HK”), nor is this Offer Document required to be registered under section 103 of the SFO HK.

Accordingly, the Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the C(WUMP)O HK, or (ii) to “professional investors” within the meaning of the SFO HK and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the C(WUMP)O HK and no advertisement, invitation or document relating to the Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO HK and any rules made thereunder.

DETAILS OF THE PLACEMENT

Cayman Islands

No invitation, whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Placement Shares. This Offer Document does not constitute a public offer of the Placement Shares, whether by way of sale or subscription, in the Cayman Islands. The Placement Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the Cayman Islands.

LISTING ON CATALIST

The Sponsor and Issue Manager has applied to the SGX-ST for permission to deal in, and for the listing and quotation of, all our existing issued Shares and the New Shares on Catalist. Such permission will be granted when our Company has been admitted to Catalist. Our acceptance of applications for the New Shares will be conditional upon, *inter alia*, the issue of the New Shares and permission being granted by the SGX-ST to deal in, and for the listing and quotation of, all our existing issued Shares and the New Shares on Catalist. Monies paid in respect of any application accepted will be returned to the applicant, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, if the completion of the Placement does not occur because the said permission is not granted, or if the admission, listing and trading of all our Shares do not proceed for any reason, and the applicant will not have any claims whatsoever against us, the Sponsor and Issue Manager and/or the Placement Agent.

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

The Placement is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

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

A copy of this Offer Document has been lodged with and registered by the SGX-ST acting as agent on behalf of the Authority. Registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority, does not imply that the SFA, the Securities and Futures Regulations, the Catalist Rules, or any other legal or regulatory requirements have been complied with. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Offer Document. Admission to Catalist is not to be taken as an indication of the merits of the Placement, our Company, our subsidiaries, our existing issued Shares and the New Shares.

As we are a foreign issuer, our Company has also undertaken to comply with the relevant requirements as set out under Rule 412 of the Catalist Rules.

DETAILS OF THE PLACEMENT

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of our Shares, or allot, issue, allocate or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, allocation, issue or sale of any of our Shares, on the basis of this Offer Document.

We are subject to the provisions of the SFA, the Securities and Futures Regulations and the Catalist Rules (where applicable) regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Placement, we become aware of:

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

and that is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor and Issue Manager, and the Placement Agent, lodge a supplementary or replacement offer document pursuant to Section 241 of the SFA with the SGX-ST, acting as agent on behalf of the Authority.

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

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

- (a) where the Placement Shares have not been issued to the applicants, our Company shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or

DETAILS OF THE PLACEMENT

- (iii) (A) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, we shall return all moneys the applicants have paid on account of their applications for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at their own risk; or
- (b) where the Placement Shares have been issued to the applicants, our Company shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in; or
 - (iii) subject to compliance with the Cayman Islands Companies Act and our Articles of Association, we shall as required by the SFA, treat the issue of the Placement Shares as void, and shall return all moneys paid by the applicants for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk within seven (7) days from the date of lodgement of the supplementary or replacement offer document and the applicant shall not have any claim against us, the Sponsor and Issue Manager and/or the Placement Agent. In such case, the applicants shall cease to have any rights to the Placement Shares immediately and each applicant agrees that subject to the approval of more than 75% of the Shareholders at a general meeting and the approval of the Securities and Futures Commission of Hong Kong ("**HK Share Buy Back Requirements**"), we shall buy back the Placement Shares at nil consideration, and we shall cancel the Placement Shares upon repurchase.

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

An applicant who wishes to exercise his option under paragraph (b)(i) or (ii) to return the Placement Shares issued to him shall, within fourteen (14) days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Placement Shares, to us, whereupon we shall treat the issue of the Placement Shares as void. We shall return all moneys paid by the applicants for the Placement Shares without interest or any share of revenue or other benefit

DETAILS OF THE PLACEMENT

arising therefrom and at the applicants' own risk within seven (7) days from the receipt of such notification and documents and the applicant shall not have any claim against us, the Sponsor and Issue Manager and/or the Placement Agent. In such case, the applicants shall cease to have any rights to the Placement Shares immediately and each applicant agrees that subject to compliance with the Cayman Islands Companies Act, the HK Share Buy Back Requirements and our Articles of Association, we shall buy back the Placement Shares at nil consideration, and we shall cancel the Placement Shares upon repurchase.

The Cayman Islands Companies Act provides that the repurchase of shares by a Cayman company may be effected in such manner and upon such terms as may be authorised by or pursuant to the company's articles of association. Article 3(2) of the Company's existing Articles of Association prior to the Listing provides that subject to the Cayman Islands Companies Act, the Company's Memorandum and Articles of Association and, where applicable, the HKSE Listing Rules and/or the rules of any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by the Company's Articles of Association for the purposes of the Cayman Islands Companies Act.

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances issue a stop order (the "**Stop Order**") to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted, issued or allocated. Such circumstances will include a situation where this Offer Document (i) contains any statement or matter which, in the Authority's opinion, is false or misleading, (ii) omits any information that should have been included in it under the SFA, (iii) does not, in the Authority's opinion, comply with the requirements of the SFA, or (iv) the Authority is of the opinion that it is in the public interest to do so.

In the event that the Authority issues a Stop Order and applications to subscribe for the Placement Shares have been made prior to the Stop Order, then:

- (a) where the Placement Shares have not been issued to the applicants, the applications for the Placement Shares pursuant to the Placement shall be deemed to have been withdrawn and cancelled and we shall, within fourteen (14) days from the date of the Stop Order, return the applicants all moneys the applicants have paid on account of their applications for the Placement Shares; or
- (b) where the Placement Shares have been issued to the applicants, the issue of the Placement Shares pursuant to the Placement is required by the SFA to be deemed void and we shall within fourteen (14) days from the date of the Stop Order, pay to the applicants all moneys the applicants have paid for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk and the applicant shall not have any claim against us, the Sponsor and Issue Manager and/or the Placement Agent. In such case, the applicants shall cease to have any rights to the Placement Shares immediately and each applicant agrees that subject to compliance with the Cayman Islands Companies Act, HK Share Buy Back Requirements and our Articles of Association, we shall buy back the Placement Shares at nil consideration and we shall cancel the Placement Shares upon repurchase.

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If our Company is required by applicable Singapore laws to cancel issued Placement Shares and repay application monies to applicants (including instances where a Stop Order is issued), subject to compliance with the Cayman Islands Companies Act and our Articles of Association, we will purchase the Placement Shares at the Placement Price. Information relating to the purchase of our Shares by our Company is also set out in “Appendix D – Summary of Certain Provisions of the Memorandum and Articles of Association of our Company and the Cayman Islands Companies Act” of this Offer Document.

Where moneys are to be returned to applicants for the Placement Shares, it shall be paid to the applicants without any interest or share of revenue or benefit arising therefrom at the applicants’ own risk, and the applicants will not have any claim against us, the Sponsor and Issue Manager and/or the Placement Agent.

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

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

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

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our Group’s future performance or policies. The Placement Shares are offered for subscription solely on the basis of the information contained and representations made in this Offer Document.

DETAILS OF THE PLACEMENT

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

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

Notification under Section 309B of the SFA: The Shares are prescribed capital market products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

XANDAR CAPITAL PTE. LTD.

3 Shenton Way
#24-02, Shenton House
Singapore 068805

KGI SECURITIES (SINGAPORE) PTE LTD.

4 Shenton Way
#13-01
SGX Centre 2
Singapore 068807

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

The Application List will open immediately upon the registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority and will remain open until 12.00 noon on 1 December 2025 or for such further period or periods as our Directors may, in consultation with the Sponsor and Issue Manager, and the Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

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

INDICATIVE TIMETABLE FOR LISTING

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

Indicative Date and Time	Event
21 November 2025 (Immediately upon registration of this Offer Document)	Application List opens
1 December 2025, 12.00 noon	Close of Application List
3 December 2025, 9.00 a.m.	Commence trading on a “ready” basis
5 December 2025	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative and is subject to change at our discretion as it assumes that the date of closing of the Application List is 1 December 2025, the date of admission of our Company to Catalist is 3 December 2025, the SGX-ST’s shareholding spread requirement will be complied with and the Placement Shares will be issued and fully paid-up prior to 3 December 2025. The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST. All dates and times referred to above are Singapore dates and times.

Please note that the above timetable is indicative only and is subject to change (whether in relation to the Placement Shares or any mode of application thereof) at the discretion of our Company, with the agreement of the Sponsor and Issue Manager, and the Placement Agent. We may, at our discretion, in consultation with the Sponsor and Issue Manager, and the Placement Agent and subject to all laws and regulations and the Catalist Rules, agree to extend or shorten the Placement period, provided that the Placement period may not be less than two (2) Market Days.

The above timetable and procedures may be subject to such modification as the SGX-ST may in its discretion decide, including the decision to permit commencement of trading on a “ready basis” and the commencement date of such trading. All persons trading in our Shares before their Securities Accounts with CDP are credited with the relevant number of Shares do so at the risk of selling Shares which neither they nor their nominees, as the case may be, have been allotted and/or allocated or are otherwise beneficially entitled to.

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

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

We will provide details of the results of the Placement (including the level of subscription and the basis of allotment and/or allocation of the Placement Shares), as soon as practicable after the closure of the Application List through the channels described in (a) and/or (b) above.

INDICATIVE TIMETABLE FOR LISTING

Our Company reserves the right to reject or accept, in whole or in part, or to scale down any application for the Placement Shares, without assigning any reason, and no enquiry and/or correspondence on the decision of our Company will be entertained. In deciding the basis of allotment and/or allocation, due consideration will be given to the desirability of allotting and/or allocating our Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

The manner and method of applications and acceptances under the Placement will be determined by our Company, the Sponsor and Issue Manager, and the Placement Agent.

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

PLAN OF DISTRIBUTION

The Placement is for 35,100,000 Placement Shares offered in Singapore by way of placement and the listing is sponsored and managed by the Sponsor and Issue Manager.

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

Investors may apply to subscribe for any number of the Placement Shares in lots of 1,000 Placement Shares or integral multiples thereof subject to a minimum of 1,000 Placement Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of Placement Shares to be allotted and/or allocated to any single applicant and allot and/or allocate the Placement Shares above or under such prescribed limit as we shall deem fit.

PLACEMENT SHARES

The Placement Shares are made available to retail and institutional investors in Singapore. Applications for the Placement Shares may only be made by way of the Application Form or such other forms of application as the Sponsor and Issue Manager, and the Placement Agent deem appropriate. The terms, conditions and procedures for application and acceptance are described in “Appendix G – Terms, Conditions and Procedures for Application and Acceptance” of this Offer Document.

Pursuant to the Placement Agreement, the Placement Agent has agreed to procure subscribers for the Placement Shares at the Placement Price on a best-efforts basis with full placement discretion. The Placement Agent may, at its absolute discretion, appoint one or more sub-placement agents for the Placement Shares.

Subscribers of Placement Shares may be required to pay a brokerage of up to 1.0% of the Placement Price (and the prevailing GST thereon, if applicable) to the Placement Agent or any sub-placement agent(s) that may be appointed by the Placement Agent.

The Placement Agreement is conditional upon the Management and Sponsorship Agreement not having been terminated or rescinded pursuant to the provisions of the Management and Sponsorship Agreement. Please refer to the section entitled “Plan of Distribution – Sponsorship, Management and Placement Arrangements” of this Offer Document for further details.

SUBSCRIPTION FOR PLACEMENT SHARES

To the best of our knowledge and belief, none of our Directors or Substantial Shareholders intends to subscribe for the Placement Shares in the Placement. If such person(s) and/or their respective Associates were to make an application for the Placement Shares and are subsequently allotted and/or allocated such number of Placement Shares, we will make the necessary announcements in accordance with Rule 428 of the Catalist Rules.

To the best of our knowledge and belief, none of the members of our management or employees intends to purchase 5.0% or more of the Placement Shares pursuant to the Placement. To the best of our knowledge and belief, we are not aware of any person who intends to subscribe for Shares amounting to 5.0% or more of the Placement Shares. However, through a book-building process

PLAN OF DISTRIBUTION

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

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

SPONSORSHIP, MANAGEMENT AND PLACEMENT ARRANGEMENTS

Pursuant to the Management and Sponsorship Agreement, our Company appointed Xandar Capital as the Sponsor and Issue Manager to sponsor and manage the Listing. Xandar Capital will receive a management fee from our Company for such services rendered in connection with the Listing.

The Sponsor and Issue Manager may by notice in writing to our Company terminate the Management and Sponsorship Agreement on the occurrence of certain events, including the following:

- (a) at any time up to the close of the Application List, a notice of refusal to an admission of our Company to Catalist is issued by the SGX-ST to the Sponsor and Issue Manager;
- (b) at any time after the lodgement of this Offer Document with the SGX-ST acting as agent on behalf of the Authority but before the close of the Application List, our Company fails and/or neglects to procure the lodgement of a supplementary or replacement offer document (as the case may be) if it becomes aware of:
 - (i) a false or misleading statement in this Offer Document;
 - (ii) an omission from this Offer Document of any information that should have been included in it under the Catalist Rules or the SFA; or
 - (iii) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by the Catalist Rules or the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor;

- (c) the Shares and the Placement Shares have not been admitted to Catalist on or before 3 December 2025 (or such other date as our Company, and the Sponsor and Issue Manager may in consultation agree);
- (d) at any time our Company releases or discharges the Sponsor and Issue Manager from its obligations under or pursuant to the mandate letter appointing Xandar Capital as the Sponsor and Issue Manager in relation to preparing our Company for admission to Catalist; or

PLAN OF DISTRIBUTION

- (e) if there shall have been, since the date of the Management and Sponsorship Agreement and prior to or on the close of the Application List:
- (i) any breach of the warranties, representations, covenants or undertakings by our Company in the Management and Sponsorship Agreement which comes to the knowledge of the Sponsor and Issue Manager or that of any of the warranties, representations, covenants or undertakings is untrue or incorrect;
 - (ii) any occurrence of certain specified events which comes to the knowledge of the Sponsor and Issue Manager;
 - (iii) any adverse change, or any development involving a prospective adverse change, in the condition (financial or otherwise) of our Company and/or any of our subsidiaries or of our Group as a whole;
 - (iv) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, policy, rule, guideline, directive or byelaw by any relevant government or regulatory body (whether or not having the force of law) and including, without limitation, any directive, notice or request issued by the Authority, the Securities Industry Council of Singapore or the SGX-ST or relevant authorities elsewhere, in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere;
 - (v) any change or any development involving a prospective change, in local, national, regional or international financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including without limitation, the imposition of any moratorium, suspension or restriction on trading in securities generally on the SGX-ST due to exceptional financial circumstances or otherwise, adverse changes in foreign exchange controls in Singapore and overseas or any combination of any such changes or developments or crisis, or any deterioration of any such conditions);
 - (vi) any imminent threat or occurrence of any local, national, regional or international outbreak or escalation of hostilities, insurrection, terrorist attacks or armed conflict (whether or not involving financial markets) in any jurisdiction;
 - (vii) any regional or local outbreak of disease that may have an adverse effect on the financial markets; or
 - (viii) any other occurrence of any nature whatsoever,

which in the opinion of the Sponsor and Issue Manager results or is likely to result in a material adverse fluctuation or material adverse conditions in the stock market in Singapore or overseas; or is likely to materially prejudice the success of the Placement; or makes it impracticable, inadvisable, inexpedient or uncommercial to proceed with any of the transactions contemplated under the Management and Sponsorship Agreement; or is likely to have a material adverse effect on the business, trading position, operations or prospects of our Company and/or any of our subsidiaries or of our Group as a whole; results or is likely to result in the issue of a notice of refusal to an admission of our Company to Catalist by the SGX-ST to the Sponsor and Issue Manager at any point prior to the listing of our Shares; or makes it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for the Sponsor and Issue Manager to observe or perform or be obliged to observe or perform the terms of the Management and Sponsorship Agreement.

PLAN OF DISTRIBUTION

Pursuant to the Placement Agreement, our Company has appointed KGI Securities (Singapore) Pte. Ltd. as the Placement Agent to procure subscribers for the Placement Shares at the Placement Price for a placement commission of 3.5% of the Placement Price for each Placement Share on a best-efforts basis with full placement discretion, payable by our Company, for the total number of Placement Shares successfully subscribed for. The Placement Agent may, at their absolute discretion, appoint sub-placement agents for the Placement Shares upon such terms and conditions as it deems fit. The Placement Agreement and the obligation of the Placement Agent under the Placement Agreement is conditional upon among others:

- (a) the Offer Document having been registered by the SGX-ST acting as agent on behalf of the Authority by the date on which the Offer Document shall be registered by the SGX-ST acting as agent on behalf of the Authority or such other date as our Company, Xandar Capital and the Placement Agent shall decide in accordance with the Catalist Rules and the SFA;
- (b) the registration notice being issued or granted by the SGX-ST acting as agent on behalf of the Authority and such registration notice not being revoked or withdrawn on or prior to the date of commencement of trading of the Shares on Catalist;
- (c) all conditions imposed by the SGX-ST in granting the registration notice (if any), being complied with by the closing date of the Application List or the date of commencement of trading of Shares on the Catalist, as the case may be;
- (d) such approvals of relevant authorities as may be required for the transactions described in the Placement Agreement and in the Offer Document being obtained, and not withdrawn or amended, on or before the date on which our Company is admitted to Catalist (or such other date as our Company, Xandar Capital and the Placement Agent may agree) and the compliance in full to the satisfaction of all the relevant authorities granting such approvals of all conditions (if any) attaching or in relation thereto on or before the date on which our Company is admitted to Catalist (or such other date as our Company, Xandar Capital and the Placement Agent may agree);
- (e) there having been, in the opinion of the Placement Agent, no material adverse change or any development likely to result in a material adverse change in the business, trading, operational, financial or other condition of our Group between the date of the Placement Agreement and the date of Listing nor the occurrence of any event nor the discovery of any fact rendering untrue, incorrect or misleading in any respect, as at the date of Listing, any of the warranties or representations nor any breach by our Company of any of its obligations under the Placement Agreement; and
- (f) the compliance by our Company with all applicable laws and regulations concerning the Placement, the admission of our Company to Catalist and the listing and quotation of all the existing issued Shares and the New Shares on Catalist and the transactions contemplated in the Placement Agreement and the Offer Document and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or any other similar matter having occurred which, in the reasonable opinion of the Placement Agent, has or may have an adverse effect on the Placement and the Listing.

In the event that the Placement Agreement is terminated, the parties shall be released from their respective obligations under the Placement Agreement and our Company shall reimburse the Placement Agent for all relevant expenses incurred by it in connection with the carrying out of its responsibilities under the Placement Agreement.

PLAN OF DISTRIBUTION

In the event that the Management and Sponsorship Agreement and/or the Placement Agreement are terminated, our Directors reserve the right, at their absolute discretion, to cancel the Placement.

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

Other than the Management and Sponsorship Agreement and the Placement Agreement, and save as disclosed in the section entitled "Interested Person Transactions – Potential Conflicts of Interests – Interests of the Sponsor and Issue Manager, and the Placement Agent" of this Offer Document, we do not have any material relationship with the Sponsor and Issue Manager or the Placement Agent.

NO INTRODUCERS AND CONSULTANTS

There are no introducers to the Placement and no consultants have been engaged by our Group to assist in (i) any group restructuring exercise in conjunction with the Placement and our application for the Listing; or (ii) the issue of securities or securities-based derivatives contracts to investors during the period of 12 months prior to the date of lodgement of this Offer Document, for the purposes of facilitating the Placement and our application for the Listing.

OFFER DOCUMENT SUMMARY

The information contained in this summary is derived from and should be read in conjunction with the full text of this Offer Document. As it is a summary, it does not contain all the information that potential investors should consider before investing in our Shares. Potential investors should read this entire Offer Document carefully, especially the matters set out in the “Risk Factors” section of this Offer Document, before deciding to invest in our Shares.

OVERVIEW OF OUR GROUP

Our Company

Our Company was incorporated in the Cayman Islands on 15 December 2009 under the Cayman Islands Companies Act as an exempted company with limited liability under the name of “Infinity Chemical Holdings Company Ltd.”, to serve as a holding company for the entire Group. We subsequently changed our name to “Infinity Chemical Holdings Company Limited 星謙化工控股有限公司” on 6 January 2010. At the extraordinary general meeting of our Company held on 23 December 2015, our Shareholders approved the change of our name to “Infinity Development Holdings Company Limited 星謙發展控股有限公司” in connection with the further development and expansion of the business scope of our Group.

Our Shares are listed on the Main Board of the HKSE.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”). Permission to list for quotation on HKSE is being sought for the pre-Placement issued share capital of 281,675,538 Shares, and 35,100,000 New Shares. As at the date of this Offer Document, listing approval of the HKSE has been obtained. With respect to the Share Consolidation, although it is approved by shareholders at the extraordinary general meeting of our Company held on 25 September 2025 (the “EGM”), the effective date of the Share Consolidation is after lodgement as stated in the timetable for implementation of the Share Consolidation in the circular despatched to shareholders for the EGM. Such effective date of the Share Consolidation is set after taking into consideration that sufficient time should be made for the obtaining of listing approval from the HKSE for the consolidated Shares. As at the date of this Offer Document, Share Consolidation has been effected.

Our Business

Our Group is principally engaged in the manufacture and sale of adhesives, primers, hardeners and other adhesive related products mainly used by footwear manufacturers. Our Group is ranked top four among manufacturers of footwear adhesives with a presence focused on Asia, as surveyed by the Industry Consultant, Converging Knowledge Pte. Ltd. We have our own brands of adhesive products under “Zhong Bu” and “Centresin” brands which we manufacture and/or sell mainly in Vietnam, Indonesia, Bangladesh and the PRC.

Please refer to the section entitled “General Information on our Group – Business Overview” of this Offer Document for further details on our business segments.

OFFER DOCUMENT SUMMARY

Our Competitive Strengths

We believe our key competitive strengths are as follows:

- (a) We have a strong track record and are recognised as a leading player in the footwear adhesives market in Asia;
- (b) We have a strong regional presence across Asia that supports customer proximity and revenue diversification;
- (c) We have strong research and development capabilities and proven track record in developing high-performance and environmentally friendly adhesives; and
- (d) We have an experienced management team with strategic execution and strong stakeholder relationship.

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

Our Business Strategies and Future Plans

Our business strategies are (i) strengthening regional leadership through core capabilities; and (ii) expanding regional footprints to support sustainable growth. Our future plans are as follows:

- Expansion to overseas markets; and
- Explore expansion through acquisitions, joint ventures or strategic alliances.

Please refer to the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document for further details.

FINANCIAL HIGHLIGHTS

You should read the following summary financial information in conjunction with the full text of this Offer Document, including the “Independent Auditor’s Report and the Audited Consolidated Financial Statements for the Financial Years ended 30 September 2022, 2023 and 2024” and the “Independent Auditor’s Review Report and the Unaudited Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 31 March 2025” as set out in Appendix A and B of this Offer Document respectively and the “Management’s Discussion and Analysis of Results of Operations and Financial Position” section of this Offer Document.

OFFER DOCUMENT SUMMARY

Selected items from the Consolidated Statement of Profit or Loss

(HK\$'000, unless otherwise stated)	Audited			Unaudited	
	FY2022	FY2023	FY2024	6M2024	6M2025
Revenue	862,101	671,750	736,338	332,498	409,306
Profit before tax	110,830	81,048	121,816	50,669	69,700
Profit for the year/period attributable to owners of the Company	101,350	67,054	100,411	40,991	56,609
Pre-Placement EPS (HK cents) ⁽¹⁾	36.0	23.8	35.6	14.6	20.1
Post-Placement EPS (HK cents) ⁽²⁾	32.0	21.2	31.7	12.9	17.9
Pre-Placement EPS (S\$ cents) ⁽¹⁾⁽³⁾	6.3	4.1	6.1	2.5	3.5
Post-Placement EPS (S\$ cents) ⁽²⁾⁽³⁾	5.6	3.6	5.4	2.2	3.1

Notes:

- (1) For comparative purposes, our pre-Placement EPS for the Period Under Review have been computed based on the profit attributable to equity holders of the Company and our pre-Placement issued share capital of 281,675,538 Shares.
- (2) For comparative purposes, our post-Placement EPS for the Period Under Review have been computed based on the profit attributable to equity holders of the Company and our post-Placement issued share capital of 316,775,538 Shares.
- (3) Based on exchange rates of S\$1:HK\$5.70, S\$1:HK\$5.80, S\$1:HK\$5.84, S\$1:HK\$5.82 and S\$1:HK\$5.78 being the average exchange rates for FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively. See the section entitled "Exchange Controls – Exchange Rates" of this Offer Document for further information.

OFFER DOCUMENT SUMMARY

Selected items from the Consolidated Statement of Financial Position

(HK\$'000, unless otherwise stated)	Audited			Unaudited
	As at 30 September 2022	As at 30 September 2023	As at 30 September 2024	As at 31 March 2025
Non-current assets	139,378	144,801	176,357	197,507
Current assets	558,244	600,194	643,072	635,682
Total Assets	697,622	744,995	819,429	833,189
Current liabilities	201,215	224,203	225,132	228,599
Non-current liabilities	9,126	7,372	10,734	13,423
Total Liabilities	210,341	231,575	235,866	242,022
Total equity	487,281	513,420	583,563	591,167
NAV per Share (HK\$ cents) ⁽¹⁾	173.0	182.3	207.2	209.9
NAV per Share (S\$ cents) ⁽¹⁾⁽²⁾	31.6	31.8	34.2	36.2

Notes:

- (1) The NAV per Share as at 30 September 2022, 30 September 2023 and 30 September 2024 have been computed based on our pre-Placement issued share capital of 281,675,538 Shares.
- (2) Based on exchange rates of S\$1:HK\$5.47, S\$1:HK\$5.73, S\$1:HK\$6.06, and S\$1:HK\$5.79, being the closing exchange rates as at 30 September 2022, 2023, 2024, and 31 March 2025 respectively. See the section entitled "Exchange Controls – Exchange Rates" of this Offer Document for further information.

Where You Can Find Us

Our principal places of business in Hong Kong and Macau are located at Units 2201-2202, 22/F., Alliance Building, 133 Connaught Road Central, Hong Kong and Rua de Pequim No. 202A-246, Macau Finance Centre, 16 Andar A-D, Macau respectively, and our registered office is located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

Our telephone and facsimile numbers at our principal place of business in Hong Kong are +(852) 2780 1999 and +(852) 2780 3999 respectively. Our email address is ir@infinitydevelopment.com.hk. Our Cayman Islands Company Registration Number is 234794. Our internet address is www.infinitydevelopment.com.hk. **Information contained on our website does not constitute part of this Offer Document.**

THE PLACEMENT

- The Placement** : 35,100,000 Placement Shares, all New Shares, subject to and on terms and conditions set out in this Offer Document.
- The New Shares, will, upon allotment and issue, rank *pari passu* in all respects with the existing issued Shares.
- Placement Price** : S\$0.39 for each Placement Share, payable in full on application.
- Purpose of the Placement** : Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and overseas and enable us to tap the capital markets in Singapore to fund our business. The Placement will also provide members of the public and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company. In addition, the proceeds from the New Shares will provide us with additional capital to finance our future plans and the general working capital of our Group.
- Listing Status** : Upon listing and quotation on the SGX-ST, our Shares will be traded on the HKSE and the SGX-ST. Our Shares are quoted on HKSE in Hong Kong dollars. Our Shares will be quoted on Catalist in Singapore dollars, subject to the admission of our Company to Catalist and permission for dealing in, and for quotation of, all of our Shares that are already issued and the New Shares being granted by the SGX-ST.
- Risk Factors** : Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.
- Use of Proceeds** : Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document for more details.

PLACEMENT STATISTICS

PLACEMENT PRICE (cents refer to S\$ cents) 39.0 cents

NAV⁽¹⁾

NAV per Share based on the unaudited interim condensed consolidated statement of financial position of our Group as at 31 March 2025:

(a) before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement issued share capital of 281,675,538 Shares 36.2 cents

(b) after adjusting for the estimated net proceeds from the Placement and based on the post-Placement issued share capital of 316,775,538 Shares 35.7 cents

Premium/(Discount) of Placement Price over the NAV per Share as at 31 March 2025:

(a) before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement issued share capital of 281,675,538 Shares 7.7%

(b) after adjusting for the estimated net proceeds from the Placement and based on the post-Placement issued share capital of 316,775,538 Shares 9.2%

EPS⁽²⁾⁽³⁾

EPS based on the audited consolidated statement of comprehensive income of our Group for FY2024 and the pre-Placement issued share capital of 281,675,538 Shares 6.1 cents

EPS based on the audited consolidated statement of comprehensive income of our Group for FY2024 and the post-Placement issued share capital of 316,775,538 Shares 5.4 cents

PER⁽²⁾⁽³⁾

PER based on the Placement Price, the EPS for FY2024 and the pre-Placement issued share capital of 281,675,538 Shares 6.4 times

PER based on the Placement Price, the EPS for FY2024 and the post-Placement issued share capital of 316,775,538 Shares 7.2 times

Net Cash generated from Operating Activities⁽²⁾⁽³⁾

Net cash generated from operating activities per Share based on the audited consolidated statement of cash flows for FY2024 and the pre-Placement issued share capital of 281,675,538 Shares 5.9 cents

PLACEMENT STATISTICS

Price to Net Cash generated from Operating Activities Ratio⁽²⁾⁽³⁾

Ratio of Placement Price to net cash generated from operating activities per Share for FY2024 based on the pre-Placement issued share capital of 281,675,538 Shares 6.6 times

Market Capitalisation

Market capitalisation based on the Placement Price and the post-Placement issued share capital of 316,775,538 Shares S\$123.5 million

Notes:

- (1) Based on an exchange rate of S\$1:HK\$5.79, being the closing exchange rate as at 31 March 2025. See the section entitled "Exchange Controls – Exchange Rates" of this Offer Document for further information.
- (2) Based on an exchange rate of S\$1:HK\$5.84, being the average exchange rate for FY 2024. See the section entitled "Exchange Controls – Exchange Rates" of this Offer Document for further information.
- (3) No change to the respective statistics as (i) service agreements of all the Directors (except for Mr. Tay Peng Huat) had been in place from the beginning of FY2024 and (ii) the statistics remain the same if the service agreement of Mr. Tay Peng Huat is assumed to be in place from the beginning of FY2024.

RISK FACTORS

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

An investment in our Shares involves risks. Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Document before deciding to invest in our Shares. Before deciding to invest in our Shares, you should seek professional advice from the relevant advisers about your particular circumstances. To the best of our Directors' knowledge and belief, all risk factors which could directly and/or indirectly affect us and are material to investors in making an informed judgment of our Company have been set out below. Some of the following risk factors relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general economic, social and political conditions, the securities market and ownership of the Shares, including possible future sales of our Shares. The following risk factors may not be exhaustive, and additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business, operations, financial performance and prospects should such risks occur and/or turn out to be material.

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

This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Offer Document. Please see the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document for further details.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

Our business is highly dependent on the footwear industry

As our Group's products are mainly used by footwear manufacturers, our business is directly related to the footwear manufacturing industry as well as the footwear consumption market. Should the footwear consumption market adversely change, the production of footwear may be reduced which in turn adversely affect the demand for our products. Notwithstanding that there is forecasted growth in Asia's footwear adhesive industry as stated under the section entitled "Outlook and Growth Forecast in Asia" in the Industry Report, our industry and the footwear industry is subject to many factors including, but not limited to, consumer discretionary spending and shifts in consumer preferences, inflationary pressures and geopolitical tensions affecting regional trade flows. While we have over the years built a track record in the footwear adhesives industry, in the event of substantial decrease in demand from the footwear industry, our Company may be required to pivot to other industries outside of the footwear adhesives industry. Under

RISK FACTORS

those circumstances, should we be unable to establish a similar track record in such new industries, our business, prospects, results of operations and financial condition may be adversely affected.

Our industry is highly competitive

The adhesive industry is generally characterised by intensive competition. Although the footwear adhesives industry is a specialised niche within the broader industrial adhesives market, our ability to maintain our position as one of the top four manufacturers of footwear adhesives whose presence is focused on Asia (as surveyed by the Industry Consultant, Converging Knowledge Pte Ltd), is dependent on our continued ability to sustain a competitive advantage. This, in turn, is influenced by several factors, including but not limited to, our ability to provide quality products at competitive prices, our ability to stay ahead of our competitors in terms of product research and development, innovation and supply of new product offerings, including environmentally friendly products, and proximity to major customers and to provide them with competent technical sales support. If we are unable to compete effectively, we may experience a loss of market share, be required to reduce our prices, seek new customer segments, or suffer reputational damage, any of which may adversely affect our business, prospects, results of operations, and financial condition.

We are reliant on our major customers

For each of FY2022, FY2023, FY2024 and 6M2025, the aggregate sales to our major customers (as disclosed under the section entitled “General Information on our Group – Major Customers”) accounted for approximately 39.7%, 37.1%, 36.3% and 34.5% of our revenue. During the Period Under Review, sales to the largest customer, *Customer A* (as described in the section entitled “General Information on our Group – Major Customers” of this Offer Document), accounted for approximately 23.8%, 21.7%, 21.4% and 19.4% of our revenue for FY2022, FY2023, FY2024 and 6M2025 respectively. We do not enter into long-term agreements with our customers as our customers place sales orders from time to time. Additionally, it is the nature of the athletic footwear industry that manufacturing for international brands is dominated by a few major players and *Customer A* is one of such global footwear manufacturers. Consequently, although we currently have a list of approximately 200 individual customers in the footwear industry, we will still be reliant to a certain extent on major customers due to the nature of industry.

The demand from our major customers is in turn dependent on many factors, including but not limited to, (i) our ability to continue expanding into countries where our customers are also growing their presence, allowing us to maintain proximity and provide prompt and high-quality customer service; (ii) our ability to support our existing customers to manage elevated import tariffs imposed by the United States on a wide range of goods manufactured in several Southeast Asian countries (including footwear), including Vietnam and Indonesia, and the PRC. This may result in pricing pressures on our products as stated under the section entitled “General Information on our Group – Trend Information”. If we are unable to support our customers to manage the import tariffs, for instance, if we are unable to reduce our selling price to them, there is no guarantee that these customers will not turn to our competitors to secure a lower selling price which will then adversely affect our sales to them; and (iii) other factors beyond our control, including production schedules, stocking and destocking cycles of footwear manufacturers, which are in turn affected by inventory procurement strategies and order timing of global brands. Should we be unable to retain our customers, obtain the same level of sales from them, or secure new customers with equivalent value of sales, our business, prospects, results of operations and financial condition may be adversely affected.

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We are exposed to fluctuating raw material costs

The principal raw materials used by our Group include methyl ethyl ketone (MEK), acetone, ethyl acetate, synthetic resin and polyester polyol which are derivatives of crude oil. The cost of these raw materials has been influenced by fluctuations in international oil prices, which is in turn affected by other factors, including global supply and demand dynamics, geopolitical tensions, and decisions by major oil-producing nations, thus subject to price volatility. The average prices of Brent crude oil were approximately USD98.80 per barrel in 2022, USD81.72 per barrel in 2023 and USD79.10 per barrel in 2024. Please refer to the section entitled “Challenges and Barriers to Entry” of the Industry Report, for further details of the average prices of Brent crude oil and selected raw materials. The price volatility is attributed to the post-pandemic recovery of global economic activities and major geopolitical events, amongst other factors as further described in the section entitled “Challenges and Barriers to Entry – Challenges – Raw Material Costs Fluctuations” in the Industry Report.

Although there has been a general decline in the average price of Brent crude oil from 2022 to 2024, there is no assurance that the price of our principal raw materials will be maintained or will continue to decline. We do not sign long-term purchase agreements with our suppliers. Should our principal raw materials’ prices increase and while we might be able to partially pass on such costs to our customers, the results of our operations and profitability may be adversely affected.

For further details regarding the potential impact of fluctuations in raw material costs on us, please refer to the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

We are exposed to supply chain disruptions and supply shortages

We rely on our suppliers for consistent quality products, delivered on a timely basis and at competitive prices. In general, manufacturing operations (whether our operations, our suppliers or our customers) are exposed to risks of supply chain disruptions, which are in turn affected by many factors; some of these factors include situations outside of our control such as severe weather conditions, international trade disputes, import and export restrictions, cessation of operation of suppliers, unexpected shortage in production, ongoing wars or conflicts that affect the flow of cross-border trade, and outbreaks of pandemics such as the COVID-19 outbreak where stop work orders and movement restriction orders could disrupt the supply chain. For instance, we experienced higher material costs in FY2022 which we believe to be driven by economic and logistical aftershocks from the COVID-19 pandemic, the effects of which persisted into 2022.

Although we did not experience material supply shortage during the Period Under Review, our business and operations depend on timely and adequate supply of materials. To mitigate potential supply chain disruptions, we may be required to maintain a higher inventory buffer or seek out alternate suppliers. Should we be unable to secure alternative sources of supply at acceptable prices, our raw material costs may increase. Any serious shortages or disruptions in supply would affect the supply of our products and our sales, which may then have an adverse impact on our businesses, results of operations and financial condition.

We are exposed to rising labour costs

Our manufacturing operations are located in Vietnam, PRC and Indonesia, where we face competition for skilled labour and are subject to rising labour costs driven by inflationary pressures and competition for competent workers who are capable of meeting our customers’ expectations for consistent product quality. Furthermore, not only are our operations dependent on labour, but that

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of our customers, particularly as footwear manufacturing remains a labour-intensive industry. As we support our major customers and establish operations closer to them, operations in such locations may be subject to higher average labour costs. Should we be unable to retain or hire skilled labour, or should labour costs increase and we are unable to pass on such costs to our customers, our businesses, results of operations and financial condition may be adversely affected.

We are exposed to geopolitical risks such as tariffs imposed by countries

On 3 April 2025, the United States announced a revised tariff regime that imposes elevated import duties on a wide range of goods manufactured in several Southeast Asian countries, including Vietnam and Indonesia, as well as renewed scrutiny of goods originating from the PRC. On 7 August 2025, the United States officially implemented new “reciprocal tariffs” on over 50 countries.

Our Group maintains production facilities and supply partnerships in Vietnam, PRC, and Indonesia, and our products are shipped to key countries including Vietnam, Indonesia, Bangladesh, PRC and India.

The continued escalation and uncertainty surrounding the United States import tariffs have impacted manufacturers and exporters, and the impact to our Group could include reduced demand for our products and margin pressures. As these tariff revisions were announced subsequent to the Period Under Review, our historical financial performance will not reflect their impact. Given the recent implementation and evolving nature of these trade measures, there is no assurance that such tariffs will not have an adverse impact on our business, prospects, results of operations and financial condition. Please refer to the section entitled “General Information on our Group – Trend Information” for further information on the impact of tariffs on our Group.

We are subject to credit risks of our customers

We are subject to the credit risks of our customers and our financial performance is dependent on our customers meeting their payment obligations to us on time. Our invoices are payable on issuance. Although we have not had any past incidences that had a material adverse impact on our Group’s financials and/or operations, there is no assurance that we will be able to collect our trade receivables fully or within a reasonable period of time, or at all. In such situations, we may be required to make allowances for doubtful receivables or write off bad debts, and this may adversely affect our financial performance. Please refer to the section entitled “General Information on our Group – Credit Policy – Credit Terms to our Customers” of this Offer Document for more details.

We are affected by significant operational safety risks, including unforeseen risks that may not be fully covered by insurance policies or at all

As our operations involve the use of chemicals, we are subject to various chemical-related compliance regulations, including those governing the production, use, storage, labelling, environmental impact, and import/export of chemical substances. The production and processing of chemical products are inherently dangerous in nature. We cannot assure you that industrial accidents will not occur in our operations as well as any new operations that we may take on. Improper handling of such chemicals may compromise worker safety, disrupt our operations, affect our ability to renew material licenses for our manufacturing facilities, or result in adverse environmental impacts. For instance, accidents involving hazardous materials could lead to serious health and safety incidents, fire or explosion, which may damage our production facilities and result in operational downtime.

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Additionally, our existing insurance coverage may not fully compensate for all damages or losses from such incidents, or we may be unable to successfully claim under such policies. Any such event could adversely affect our business operations, results of operations and financial condition, and may harm our reputation, potentially leading to litigation, regulatory fines or penalties. We are also subject to the risk of increased premiums or deductibles, reduced coverage or expanded exclusions in connection with existing insurance policies. There are also certain types of risks that are not covered by our insurance policies because they are either uninsurable or not economically insurable, including acts of war, acts of terrorism, natural disasters, or loss or damage caused by industrial actions or the COVID-19 pandemic. Although we have not encountered any material adverse incident at our operations during the Period Under Review up to the Latest Practicable Date, the nature of our manufacturing activities exposes us to inherent operational safety risks. Additionally, if uninsured events were to occur, we may have to bear the costs of the uninsured risk or the uninsured loss, and our business, results of operation and financial condition may be adversely affected.

Our business is subject to regulatory and licensing or permit requirements and we may be adversely affected if we are unable to maintain our existing licenses, registrations, approvals and permits

We are heavily regulated by laws and regulations in the jurisdictions in which we operate (including Vietnam, PRC and Indonesia), including in particular: (a) environmental regulations applicable to the chemical product production and processing industries; (b) laws regulating the production, storage, transportation and usage of hazardous chemicals; (c) management, treatment and collection of waste, including hazardous waste; (d) laws and regulations relating to environmental protection and the occupational health of employees; and (e) general compliance requirements for companies and businesses operating in those jurisdictions. Being heavily regulated means our entities in these jurisdictions must maintain strict and ongoing compliance. While our Group is committed to maintaining strict standards of compliance with the relevant regulations, the production or processing of chemicals and products are inherently dangerous in nature and we cannot assure you that industrial accidents will not occur in our operations as well as any new operations that we may take on. There is therefore risk of potential non-compliance which may result in the suspension or revocation of business licenses or permits required for our Group's operations. For further details, see the section entitled "Government Regulations" of this Offer Document.

We are also required to obtain and comply with applicable production and operation licences, permits, approvals, registration certificates and other regulatory requirements for the chemical products business and environmental permits for our operations. Please refer to the section entitled "General Information on our Group – Material Licences, Permits, Registrations and Approvals" of this Offer Document for further information. We may not be able to update or renew such licences and permits in a timely manner when applicable laws and regulations change and/or upon the expiry of such licences or permits, in which event, our business and operations may be disrupted and materially and adversely affected.

We are reliant on our key management for our growth and future success

Our success depends, to a significant degree, upon the experience, expertise and continuity of our senior management personnel, most of whom have an in-depth understanding of the footwear adhesive industry and our operations and are difficult to replace. Our senior management, including Mr. Leong, are key to our success because of their expertise and experience in the footwear adhesive industry, market development, and their contributions to technology development and expertise in managing the operations of our Group. In addition, the management

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team has established and continues to maintain the relationship and reputation of our Group with our Group's customers. If we are unable to retain our key management and unable to find suitable and timely replacements, our growth and future success may be impaired and our business, prospects, results of operation and financial condition could be adversely affected.

We are reliant on our experienced staff and the resignation of our experienced staff may adversely affect our Group

Our growth and success is dependent on experienced staff across our Group, including but not limited to, experienced sales staff (including experienced technical sales staff who are able to assist with on-site troubleshooting at our customers' production facilities), experienced production and product assurance staff who ensure that our Group delivers consistent quality products on schedule, experienced research and development staff who possess valuable technical knowledge of footwear adhesives. However, these experienced staff may leave our Group and (upon the expiry of any applicable non-compete period) join our competitors or start their own competing business. These experienced staff may have both strong academic, engineering and research backgrounds, and experience, whose replacements may not be readily available. If our Group is unable to retain these staff and find suitable replacements within a short period of time after the departure of such staff, our ability to provide after-sales and technical services to customers in all aspects and launches of innovative products will be adversely affected.

We may not be able to successfully implement our business strategies and/or future plans

As set out in the section entitled "General Information on Our Group – Business Strategies and Future Plans" of this Offer Document, we intend to (i) increase our presence in other countries in Asia, such as setting up new subsidiaries, new offices, establishing new distribution and production base in countries where we do not currently have a significant presence; and (ii) explore expansion through acquisitions, joint ventures or strategic alliances. Such future plans are based on our current intentions and assumptions, and our long-term success is dependent on the successful implementation of our business strategies. Such an expansion would require our management's attention and the possible diversion of significant resources. Our business strategies may be hindered by factors beyond our control, such as general market conditions, government policies relevant to our industry and/or the country, our ability to maintain our existing competitive advantages, new market entrants and other risk factors disclosed in this section. Further, the implementation of our future plans may also require capital expenditure, and there is no assurance that these future plans will pay off and increase our revenue to a level which will be commensurate with the costs of our investment. In the event that our future plans are not satisfactorily implemented, our business, prospects, financial condition, and results of operations may be materially and adversely affected.

We are subject to the risk of changes in the relevant laws and regulations in the countries we operate

There is no assurance that the regulatory environments in which we operate will not change significantly or become more stringent in the future. Compliance with any changes in existing or new laws and regulations may increase our compliance costs, which may adversely affect our business, operations, financial performance and prospects. In addition, there is no assurance that we would be able to comply with such amended or new laws and regulations, which may have an adverse effect on our business, operations, financial performance or prospects. In the event that we fail to comply with the relevant laws and regulations, we may be penalised for such breaches of law or regulation, and our business, operations, financial performance and prospects may be adversely affected as a result.

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The relevant competent authorities in the PRC may require us to pay additional social insurance fees or housing provident fund contributions or impose late payment penalties on us

Pursuant to PRC laws and regulations, employers in the PRC are required to, together with their employees or separately, make contributions to social insurances including pension insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance; and to a housing provident fund, on the basis of the employees' salaries (subject to certain lower and upper limits) and the applicable contribution rates.

As advised by Legal Advisers to our Company on PRC Law, pursuant to Social Insurance Law 《社会保险法》, if an employer fails to pay or underpays the social insurance contributions, the social insurance contributions collecting agency may order the employer to make the outstanding social insurance contributions within a prescribed time limit and liable for a late payment fee equal to 0.05% of the outstanding amount for each day of delay. If the employer still fails to pay the outstanding social insurance contributions within the prescribed time limit, it may be liable for an administrative fine of one to three times the amount of the outstanding contributions. Please see the section entitled "Government Regulations – PRC Laws and Regulations – Regulations relating to employment and social welfare" of this Offer Document for further details.

As advised by Legal Advisers to our Company on PRC Law, pursuant to Regulations on Administration of Housing Fund 《住房公积金管理条例》, if an employer fails to pay or underpay the contribution to the housing provident fund, the Housing Fund Management Center (the "**Management Center**") may order the employer to deposit the outstanding housing provident fund contributions within a time limit; if the employer fails to deposit such amounts within the prescribed time limit, the Management Center can petition a PRC court for enforcement. There are no applicable penalties nor fines for underpayment of housing provident fund contributions for our Group, and thus the financial impact is limited to the shortfall of the housing provident fund contributions.

Zhuhai Centresin has not paid the full social insurance and housing provident fund contributions for its employees from incorporation to date. The reason for the shortfall in social insurance and housing provident fund contributions was mainly due to different levels of acceptance of the social welfare system by employees, depending on their willingness to make their corresponding contribution thereto since under the PRC Laws, as employees are also required to contribute a portion of their salary to the social insurance and housing provident fund together with Zhuhai Centresin based on the employee's declared base salary, and the employee's contribution will be directly deducted from their monthly salary.

As advised by Legal Advisers to our Company on PRC Law, on 21 September 2018, the General Office of the Ministry of Human Resources and Social Security of the PRC (中华人民共和国人力资源和社会保障部) ("**MOHRSS**") issued the Urgent Notice on Effectively Implementing the Spirit of the Standing Meeting of the State Council and Effectively Conducting the Collection of Social Insurance Premiums in a Stable Manner (《关于贯彻落实国务院常务会议精神和切实做好稳定社保费征收工作的紧急通知》) (the "**Urgent Notice**") which strictly prohibits local authorities themselves from organising and conducting centralised collection of enterprises historical social insurance arrears.

In view of (a) the above-mentioned specific provisions under the PRC Social Insurance Law and the Regulations on Administration of Housing Fund, which address the legal consequences of employers' failure to make adequate payments for social insurance and housing provident fund contributions; (b) the Urgent Notice mentioned above; and (c) the Company's written confirmation

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that (i) it has regularly reviewed and monitored the underpaid amounts for social insurance and housing provident fund contributions and accounted for and made adequate provisions in respect of any material underpayments, (ii) the Company has made adequate provisions for the outstanding contributions as of 31 March 2025, (iii) Zhuhai Centresin has never been penalised by the relevant authorities for underpayment and (iv) Zhuhai Centresin's commitments to pay the outstanding social insurance contributions and/or housing provident fund contributions within the prescribed time limit upon request by the relevant PRC authorities, the Legal Advisers to our Company on PRC Law is of the view that, if no employee raises a complaint and there are no significant changes in current policies, regulations, or the implementation and supervision by local government authorities, the likelihood of Zhuhai Centresin being penalised is low.

As of 31 March 2025, the Company has made provision of HK\$11.5 million, which had taken into consideration (i) the shortfall of social insurance and housing provident fund contributions amounting to HK\$10.7 million and (ii) the fines/penalties that may be imposed by the regulatory authorities amounting to HK\$0.8 million (as estimated by management). Out of the provision of abovementioned HK\$11.5 million, HK\$5.3 million and HK\$1.0 million was made for the three financial years ended 30 September 2024 and 6M2025 respectively which to the best of our Directors' knowledge and belief, represent best estimates of our obligations as at the respective reporting dates. In our provision of the above amount, our Directors have taken into account factors such as historical experience (i.e. no claims had been made against us for the shortfall of social insurance and housing provident fund contributions), likelihood of such claims and fines/penalties, as well as the belief of our Directors that any over-provision would contravene the principle of faithful representation. Legal Advisers to our Company on PRC Law has confirmed that no other regulatory actions may be taken against Zhuhai Centresin if it has proceeded to make payment should there be any claim or notice/order from regulatory authority. As of the Latest Practicable Date, no claim nor notice/order has been made to Zhuhai Centresin and therefore, no payment is applicable.

Our Board has considered the reason for the shortfall, the provisions made during the Period Under Review, the views of the Legal Advisers to our Company on PRC Law, including the bases and the confirmations that the Company has made which led to their views stated above, and the Board is of the view that this matter does not materially and adversely affect our business, reputation, financial condition and results of operations.

Notwithstanding the above, since March 2025, Zhuhai Centresin has taken the following rectification measures:

- (i) Explicitly stipulated in its staff handbook that the full social insurance and housing provident fund contributions should be made in accordance with applicable local regulations;
- (ii) Informed all employees of Zhuhai Centresin of the basis on which social insurance and housing provident fund contributions are to be made by both Zhuhai Centresin and its employees;
- (iii) Assigned the human resource supervisor of Zhuhai Centresin to manage any request from Zhuhai Centresin's employees, including relating to social insurance and housing provident fund contributions; and
- (iv) Assigned the human resource supervisor of Zhuhai Centresin to review and monitor the calculation of the social insurance and housing provident fund contributions and to update the management of the latest regulatory amendments affecting social insurance and housing provident fund contributions.

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We cannot guarantee you that the competent government authorities will not require us to settle the outstanding amount within the specified time limit or impose late payment penalties on us. Such action may have a material and adverse impact on our results of operations and financial position.

The intellectual property of our Group may not be protected adequately

Our Group relies on patent laws, proprietary technology and contractual restrictions to protect our Group's intellectual property. Please see the section entitled "General Information on our Group – Intellectual Property Rights" of this Offer Document for further details of the intellectual property rights which are material to our business. Although we have registered trademarks and registered patents material to our business, such registration may only provide limited protection for the intellectual properties of our Group, which are important to our Group's business. In addition, contractual agreements, such as confidentiality and non-competition agreements, and terms between our Group and the research and development personnel, may only afford limited protection and the actions that our Group may take to protect our proprietary rights and other intellectual property may not be adequate. Our Group's competitive position may be weakened if we fail to protect our intellectual property and other proprietary rights. Litigation relating to our intellectual property, including in relation to any infringement or misappropriation of our intellectual property rights or proprietary knowledge by third parties, may result in substantial costs, time and diversion of resources. Enforcement proceedings in relation to our Group's intellectual property may adversely affect our Group's business, prospects, financial condition and reputation.

We may face a lower return, or delay in getting a return on our capital investments

Our Group is currently constructing a new production facility in Indonesia, the New Indonesia Plant, to better serve our customers in the region, and we have made capital expenditures for the acquisition of property, plant and equipment and construction works for this New Indonesia Plant. Additionally, our major customers may request that we expand our operations near to their manufacturing sites, which may require us to invest in production capacity before we have secured sufficient customer orders to fully utilise that capacity. With respect to the New Indonesia Plant which is still in the process of construction as at the Latest Practicable Date, we have not obtained all relevant certificates for its operations, some of which can only be obtained after site inspections of the completed factory. In the event we face delay in obtaining the relevant approvals, or other delays and/or cost overrun which may be beyond our control in areas that involve government approval procedures, suppliers and contractors, procurement, installation and commissioning of new production equipment, our ability to utilise such production facility as planned will be affected, and may adversely affect our return of such investment, our future growth or cause us to be unable to timely capture the opportunities in the adhesives market.

There is also no assurance that the footwear or footwear adhesives industries will continue to grow at rates sufficient to support our existing or future capital investments, or that we will be able to generate an adequate return on such investments. The expected compound annual growth rate of the footwear adhesive consumption market in Asia is projected to increase at a rate of 4.5 to 5.5% over the next five years mainly due to reasons such as the Asia region being the world's leading footwear manufacturer, increase in demand for athletic footwear due to resumption of sporting events post-pandemic, increased health consciousness among consumers and the growing e-commerce appeal in Asia, all of which would contribute to greater demand for the adhesives produced by our Group. This information is obtained from the Industry Report, and compiled by Converging Knowledge Pte Ltd, the basis of which is disclosed under the section entitled "General Information on our Group – Prospects" of this Offer Document. Nonetheless, the growth rate in the market demand may not be sufficient to support the supply by the expanded

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production capacity of our Group and as a result, the expanded production capacity of our Group may not be fully utilised. If we are unable to secure sufficient customer demand to support these capital investments, our business, prospects, results of operations, and financial condition may be adversely affected.

We may need to secure financing for our future growth

While we do not have material borrowings, we may need to obtain debt or equity financing to fund future working capital, acquisitions or capital expenditures, so as to enhance our capabilities and capacity to expand our business.

Additional equity financing may result in dilution of the shareholdings of our Shareholders. Debt financing may include conditions that would restrict our freedom to operate our business, such as conditions that:

- limit our ability to pay dividends or require us to seek consents to do so;
- require us to maintain financial ratios;
- require us to dedicate a portion of our cash flow from operations for the payment of our debt, thereby reducing the availability of our cash flow to fund capital expenditures, working capital and other general corporate purposes; and
- limit our flexibility in planning for changes in our business and industry in the future, such as conditions that may restrict or require consents for corporate restructuring, or additional financing or fund-raising.

There is no assurance that we will be able to obtain any additional financing on terms that are acceptable to us, or at all. In the event that we are unable to secure adequate financing at acceptable costs, our business, operations, financial performance and prospects may be adversely affected.

We may be affected by restrictions on and disruptions to our operations due to external factors

Our operations may face disruptions due to unforeseen external factors such as acts of God, infectious diseases, fire, flood, civil unrest, terrorist attacks and any other calamities or events beyond our control, whether man-made or occurring naturally. The relevant authorities may also place restrictions on our operations as a result of such external factors. Our costs may increase to address such restrictions and disruptions and cause a reduction in our revenue. There is no assurance that such external factors would not cause restrictions on and disruptions to our operations. As a result of such restrictions and disruptions, we may fail to meet our customers' expectations and/or fulfil customers' orders within the given timeline. This may damage our reputation and/or expose us to legal claims, and may lead to a loss of business. In such situations, our business, operations, financial performance and prospects may be adversely affected.

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RISKS RELATING TO OUR OVERSEAS OPERATIONS

General risks associated with doing business internationally

We have expanded our business through operations in various countries, and we may continue to undertake similar operations in other countries in the future. These transactions may subject us to different risks from those we face in growing our operations internationally. Such risks may include having to deal with entrenched domestic competitors in overseas markets, our relative lack of familiarity with the rules and regulations in other jurisdictions, changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in foreign exchange rates, potentially adverse tax consequences, legal uncertainty regarding liability, reduced protection for intellectual property rights in some countries, tariffs and other trade barriers, unexpected changes in local law, and barriers to the repatriation of capital or profits, any of which could materially affect our overseas operations and, consequently our business, operations, financial performance and prospects. As we plan to expand our overseas operations in the future, our exposure to such risks will increase. These risks may impede our efforts to integrate the overseas businesses into our existing business operations. Addressing these risks may require us to devote substantial management resources, which could distract our management from overseeing our ongoing operations. Any failure by us to address these issues could delay or prevent us from completing any future overseas expansions or could make such transactions substantially more expensive to complete than we had anticipated, any of which could have a material adverse effect on our business, operations, financial performance and prospects.

Our business may also be materially and adversely affected by social, economic and political developments, both in countries in which we operate and globally. Such developments may include financial crises, terrorist attacks, inflation, and civil unrests in the countries in which we operate. We have no control over such developments, and there is no assurance that such conditions and developments, when they occur, will not adversely affect our business, prospects and results of operations in the countries where we carry out our operations.

General risks with enforcement of contracts in foreign jurisdictions

In certain of our contracts, we may face a number of challenges in enforcing our contractual rights in foreign jurisdictions or enforcing judgement orders against assets located in foreign jurisdictions. Where reciprocal recognition and enforcement of judgements of courts have not been entered into between the country that has jurisdiction over the matter, and the country in which enforcement of judgement is being sought, it may be difficult or impossible for our Group to enforce any contractual obligations against other parties. Additionally, the jurisdictions in which we are seeking to enforce any judgement orders obtained may not have a robust legal system to assist with enforcement efforts, and this, coupled with promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, renders the results of our enforcement actions unpredictable. In any case, any litigation in foreign jurisdictions may be protracted and result in substantial costs and diversion of resources and management attention, which could have an adverse effect on our business, prospects and results of operation.

We may incur increased costs associated with compliance with laws of the differing jurisdictions in which we operate in, including any variation thereof. Laws and regulations in the jurisdictions in which we operate vary and change over time. These laws may also be complex or loosely defined, and at times conflicting in nature, intent, or interpretation, in certain countries in which we operate. Many are untested in courts and can have different interpretation and guidance, even from the same regulators, and enforcement of such laws may be inconsistent. An adverse

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development related to any of the abovementioned factors and other risks associated with international trade may have a material and adverse effect on our business, financial position, results of operations and prospects if our Company is unable to adapt our business strategies or operations accordingly.

We maintain business and contractual relationships with customers and suppliers across different jurisdictions. Our contracts with such customers and suppliers may therefore be subject to the laws of the countries where such customers and suppliers are situated within. There is no assurance that the relevant laws, regulations and guidelines in such jurisdictions will not change. In the event that there are any such changes in the relevant laws, regulations and guidelines applicable to our business, such changes in the relevant laws and regulations may impose additional obligations on top of our existing contractual obligations, or modify or change the nature of our contractual obligations with such customers and suppliers. We may also incur additional costs on compliance and obtaining advice on the interpretation of such changes in the relevant laws, regulations and guidelines, and on the possible effects on our contractual relationships with such customers and suppliers in the affected jurisdictions. If we fail to comply with such amended and/or new laws and regulations, our businesses, prospects, results of operation and financial condition may be adversely affected.

We are subject to foreign exchange risks

Our functional and presentation currency is in HK\$. Our operations are primarily carried out in Macau, Indonesia, Vietnam and the PRC. Our Group's business transactions, such as sales and purchases, and our Group's assets and liabilities are principally derived from our overseas operations and mainly denominated in US\$, RMB, VND, IDR and S\$. Foreign currency transactions are translated into HK\$ at rates of exchange approximating those prevailing at transaction dates.

Furthermore, as the overseas subsidiaries are consolidated into our financial statements in HK\$, we will be subject to foreign exchange risks as the reporting currency of our overseas operations will be translated into HK\$ upon consolidation. Please refer to Note 6(a) "Financial Risk Management – Foreign Currency Risk" in the "Independent Auditor's Report and the Audited Consolidated Financial Statements for the Financial Years Ended 30 September 2022, 2023 and 2024" as set out in Appendix A to this Offer Document for details of our currency risks. Any foreign exchange difference from translating the reporting currencies of our overseas subsidiaries to HK\$ for our consolidated financial information are recognised as our other comprehensive income, and presented in the foreign currency translation reserve in equity. We recorded exchange differences on translating foreign operations of approximately loss of HK\$14.2 million, loss of HK\$4.1 million, gain of HK\$12.3 million and loss of HK\$18.9 million for FY2022, FY2023, FY2024 and 6M2025 respectively. Accordingly, any unfavourable changes of the local currencies conversion against HK\$ may adversely affect our results of operation.

As at the Latest Practicable Date, our Group had not entered into any hedging transactions to reduce our exposure to foreign exchange risks. Our Group may enter into hedging transactions in the future. The availability and effectiveness of these transactions may be limited and we may not be able to successfully hedge our exposure, or at all.

Our Group may be subject to additional taxes with respect to transfer pricing

Our Group is subject to transfer pricing and similar tax regulations in Macau, Indonesia, Vietnam and the PRC. Our Group has designed and adopted transfer pricing arrangements to ensure that our intercompany transactions are entered into at arm's length prices in accordance with

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applicable transfer pricing regulations, such that appropriate levels of income are reported by our respective subsidiaries and the related taxes are duly assessed and paid. In the event that the tax authorities determine that we are in breach of the transfer pricing and similar tax regulations, additional taxes and penalties may be assessed, and we will be required to pay the assessments. Any adjustment which results in higher overall tax liability for our Group may adversely affect the business, prospects, financial condition and results of operations of our Group. During the Period Under Review, we had not been required to pay additional taxes or penalties due to breach of transfer pricing or similar tax regulations which had a material and adverse impact on our Group's business, prospects, financial condition, and results of operations.

RISKS RELATING TO THE PRC

Our PRC subsidiaries may incur liabilities pursuant to unauthorised actions by their legal representative

Our PRC subsidiaries are required by law to appoint a legal representative to act as a representative of our PRC subsidiaries and to execute contracts on behalf of our PRC subsidiaries. Under PRC laws, the legal consequences of civil activities performed by the legal representative of a company in the name of the company shall be assumed by the company. In the event that the legal representative performs any unauthorised actions in contravention of PRC laws and/or its contractual obligations purportedly on behalf of it, there is a risk that our Group and/or our PRC subsidiaries may be held liable for such acts. The legal representative may be removed with or without his/her consent, but changing the registration of the legal representative can present practical issues, such as the need to use the company chop and original business licence. If a company loses control of its chop or business licence, it may take legal action to seek their return or apply for new ones. We have taken measures and controls to mitigate such risk by (i) stating within the articles of association of Zhuhai Centresin and Guangzhou Xingqian to allow its shareholders to be able to directly control the appointment and dismissal of its legal representative; (ii) resignation letters from the current legal representatives of Zhuhai Centresin and Guangzhou Xingqian will be executed and left undated, and kept in escrow with the Company's secretary in Hong Kong prior to the date of Listing; (iii) relevant resolutions by the directors and shareholder of Zhuhai Centresin and Guangzhou Xingqian, as well as power of attorney to take into custody all necessary company stamps and licences, and carry out the duties as the new legal representative such that the business operations are not disrupted, will be executed and affixed with the company stamp (where necessary) and left undated and kept in escrow with the Company's secretary in Hong Kong prior to the date of Listing; (iv) an internal control system has been implemented to ensure that there is proper authorisation as to disbursements and delegation of authority; (v) safeguarding controls over the corporate seal, finance seal, legal representative seal, cheque books and original business certificates of Zhuhai Centresin and Guangzhou Xingqian have been implemented; (vi) segregation of duties in the cash management process including receipts and disbursements; (vii) annual reviews by the Audit Committee of the processes and procedures in relation to the appointment and removal of the legal representative of Zhuhai Centresin and Guangzhou Xingqian to ensure their effectiveness and robustness. While measures and controls have been implemented in order to mitigate such a risk, there is no assurance that the legal representative will adhere to such measures and control procedures.

In the event that the legal representative incurs liabilities without authorisation on behalf of our PRC subsidiaries, our business, financial condition, results of operations and prospects may be materially and adversely affected.

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If the company chops or seals of our PRC subsidiaries are not kept safely, stolen or used by unauthorised persons or for unauthorised purposes, the corporate governance of our PRC subsidiaries could be materially and adversely compromised

If the company chops of our PRC subsidiaries are not kept safely, are stolen or are used by unauthorised persons or for unauthorised purposes, the corporate governance of these entities could be materially and adversely compromised.

In the PRC, a company chop or seal serves as the legal representation of the company towards third parties even when unaccompanied by a signature. Each legally-registered company in the PRC is required to maintain a company chop, which must be registered with the local Public Security Bureau. In addition to this mandatory company chop, companies may have several other chops which can be used for specific purposes. The chops of our PRC subsidiaries are generally held securely by personnel designated or approved by us in accordance with our internal control procedures.

Unauthorised use of the company chops or seals of our PRC subsidiaries or unauthorised actions by its legal representative may disrupt operations or incur liabilities on the part of our PRC subsidiaries. Our PRC subsidiaries may take legal action to remove or change its legal representative, or to seek the return of the company chop or apply for a new company chop although it may not be able to recover assets or losses from third parties acting in good faith.

While there has not been any past incidents of unauthorised use of the company chops of our PRC subsidiaries, in the event that the chops are not kept safely, are stolen or are used by unauthorised persons or for unauthorised purposes, the corporate governance of these entities could be materially and adversely compromised and those entities may be bound to abide by the terms of any documents so chopped, even if they were chopped by an individual who lacked the requisite power and authority to do so. In addition, if the chops are misused by unauthorised persons, we could experience disruption to our normal business operations and may have to take corporate or legal action, which could involve significant time and resources to resolve while distracting management from our operations.

Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to our Group

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

Our PRC subsidiaries are foreign-invested enterprise (“FIE”) and are subject to laws and regulations applicable to FIEs as well as various PRC laws and regulations generally applicable to companies incorporated in the PRC. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all and may have a retroactive effect. As a result, we may not be aware of our violation of any of these

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policies and rules until after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in the PRC could materially and adversely affect our business and impede our ability to continue our operations in the PRC.

We are subject to regulations relating to employment and social welfare in the PRC

We are required to comply with applicable PRC regulations relating to employment and social welfare. For instance, the PRC Labour Contract Law (中华人民共和国劳动合同法), which became effective on 1 January 2008 and was amended on 28 December 2012, and the Implementing Rules for the PRC Labour Contract Law (中华人民共和国劳动合同法实施条例), which were promulgated and became effective on 18 September 2008, set forth workers' rights including overtime hours, pensions, layoffs, employment contracts and the role of trade unions, and specified standards and procedures for the termination of an employment contract. In addition, under the applicable PRC laws, companies must establish and implement a system of ensuring occupational safety and health, educate employees on occupational safety and health, prevent work-related accidents and reduce occupational hazards. For more details on the applicable PRC regulations in relation to employment and social welfare, see "*Risks Factors – Risks relating to our Industry and Business – The relevant competent authorities in the PRC may require us to pay additional social insurance fees or housing provident fund contributions or impose late payment penalties on us*" and "*Government Regulations – PRC Laws and Regulations – Regulations relating to employment and social welfare*".

In the event that we are found to be in breach of any other applicable PRC regulations relating to employment and social welfare, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our business operations are subject to significant operational and safety risks and other unforeseen risks that may not be fully covered by our insurance policies

In addition to the risks described in "We are affected by significant operational safety risks, including unforeseen risks that may not be fully covered by insurance policies or at all", our business operations in the PRC may face compensation claims from any parties, including but not limited to, our employees, customers or governments or other entities or individuals situated next to or adjacent to us. We are also exposed to environmental hazards during the production process.

Furthermore, there may be instances where we may have to pay out of our funds for financial and other losses, damages and liabilities caused by our operation and by other unforeseeable conditions such as accidents in the facilities operated by any of our neighbouring parties, weather, diseases, strikes, breakdowns of equipment, difficulties or delays in obtaining raw materials and equipment, natural disasters, terrorist incidents, industrial accidents or other situations. The occurrence of any of these aforesaid events may result in damages to our production facilities, thereby disrupting our operations and causing us to suffer substantial losses or incur significant liabilities. In addition, apart from product liability insurance, we also maintain property insurance for our business operations, whereas there are certain types of losses that are normally uninsurable in the PRC, such as losses due to war and terrorism. Although there were no past incidents during the Period Under Review that had a material adverse impact on our business and financial results, there can be no assurance that our insurance coverage will be sufficient to cover all our losses in the future. Any business disruptions or natural disasters may result in substantial costs and diversion of resources and may materially and adversely affect our business, financial condition and results of operations.

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Our business, reputation and products may be affected by product liability claims, litigation, complaints or adverse publicity in relation to our products

Our Group's products involve an inherent risk of injury that may result from tampering by unauthorised third parties or product contamination or degeneration, including the presence of foreign contaminants, chemicals, substances or other agents or residues during the various stages of the procurement, production, transportation and storage process. We cannot guarantee that our products will not cause any health-related illnesses or injury or that it will not be subject to claims or lawsuits relating to such matters. In the event that a product liability or third party liability claim is brought against our Group, we cannot guarantee that we will be successful in making an insurance claim under the product liability and third party liability insurance policies maintained by us or that the proceeds from the insurance claim will be sufficient to compensate the actual damages suffered or at all.

We may be ordered by the PRC government authorities to recall our products if we fail to meet relevant quality or safety standards. We cannot guarantee that product liability claims will not be asserted against us as a result. A product liability judgment against us or an ordered product recall could have a material adverse effect on our business, financial condition and results of operations. Although there were no product liability claims, litigation or complaints that materially adversely affected our business and financial results during the Period Under Review, there is no assurance that such incident would not lead to a material adverse impact in the future.

We are subject to PRC foreign exchange regulations

The conversion of RMB into foreign currencies is subject to applicable laws and regulations in the PRC. We receive a significant portion of our revenues in RMB, and our Company's income may be partially derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient amounts of foreign currency to pay dividends, make other payments to us, or otherwise to satisfy their foreign currency denominated obligations.

RISKS RELATING TO VIETNAM

We are exposed to risks in relation to the Vietnam Legal Representative System

If the company chops (seals) of our Vietnam subsidiaries are not kept safely, are stolen, or are used by unauthorised persons or for unauthorised purposes, the corporate governance of these entities could be materially and adversely compromised.

In Vietnam, a company chop or seal is a means to authenticate company documents. However, for most legal documents to be valid, they must also bear the signature of the authorised person as required by law or the company's charter. The seal, by itself, does not constitute sufficient legal representation of the company's actions or intentions towards third parties, especially in the absence of a valid signature.

Each legally-registered company in Vietnam may decide whether to use a company chop or seal, and is not required to register the seal with the local Public Security Ministry, except for certain special organizations as prescribed by law. Companies may have several seals for different purposes, as long as the use and management of such seals comply with the company's charter or internal regulations.

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The chops of our Vietnam subsidiaries are generally held securely by personnel designated or approved by us in accordance with our internal control procedures. While there have not been any past incidents of unauthorised use of the company chops of our Vietnam subsidiaries, in the event that the chops are not kept safely, are stolen, or are used by unauthorised persons or for unauthorised purposes, the corporate governance of these entities could be materially and adversely compromised. However, those entities are only bound by documents that are properly signed and sealed by authorised persons in accordance with the applicable Vietnam law and the company's charter. Documents sealed by unauthorised persons do not automatically bind the company unless otherwise recognised or ratified by the company.

In addition, if the chops are misused by unauthorised persons, we could experience disruption to our normal business operations and may have to take corporate or legal action, which could involve significant time and resources to resolve while distracting management from our operations.

Risks in relation to the appointment of the legal representatives of Vietnamese subsidiaries

According to Vietnam laws, a company shall have at least one legal representative residing in Vietnam. When there is only one legal representative residing in Vietnam, this person, upon leaving Vietnam for a period of absence, must authorise in writing another individual residing in Vietnam to exercise the rights and obligations of the legal representative during the legal representative's period of absence, under which circumstances, the authorising person (being the legal representative) remains responsible for the authorised person's performance. The legal representative of both Zhong Bu Vietnam and Huu Tin Hang respectively has issued a power of attorney authorising another person residing in Vietnam to perform the rights and obligations of the legal representative during the legal representative's absence from Vietnam.

In case the legal representative is deemed to not actually be residing in Vietnam (either on a permanent or temporary basis), Zhong Bu Vietnam and/or Huu Tin Hang may be subject to administrative fines and/or may be required to appoint a legal representative who resides in Vietnam as a remedial measure.

Based on the advice of Legal Advisers to our Company on Vietnam Law, Vietnamese licensing authorities rarely inspect enterprises on this issue (despite having the authority to do so), such that the practical risk of companies being subject to inspection and penalties in relation to the appointment of legal representatives is rather low. Notwithstanding the above, we are still exposed to the risk of such enforcement and potential administrative penalties. In the event of such potential penalties being imposed on Zhong Bu Vietnam and/or Huu Tin Hang, the Board is of the view that our business and operations would not be materially affected.

Risks in relation to regulatory requirements affecting the import and distribution of certain industrial chemicals

Our subsidiary in Vietnam, Huu Tin Hang, is registered to engage in the activities of exporting, importing, and distributing ethyl acetate (HS Code 29153100), among other products.

The import and distribution of products containing certain types of industrial chemicals such as ethyl acetate in Vietnam are subject to local regulatory requirements. Although we currently do not distribute such restricted chemicals which may only be distributed with the necessary certifications and mandatory declarations made to the relevant authorities in Vietnam, in the event we import and/or distribute such restricted chemicals, we will be required to obtain such certifications and make such declarations. We may not be able to obtain such certifications in a timely manner or at all, in which event, our business plans and operations may be disrupted and materially and adversely affected.

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We are subject to regulations in Vietnam relating to social insurance for employees

Pursuant to Vietnam laws and regulations, employers in Vietnam are required to make contributions to compulsory social insurance, including pension (retirement) insurance, sickness and maternity insurance, occupational accident and disease insurance, unemployment insurance, and health insurance, based on the employees' salaries (subject to statutory minimum and maximum salary bases) and the applicable contribution rates. Both employers and employees are required to contribute their respective portions, with the employee's share typically deducted directly from their monthly salary.

According to Article 122 of Law on Social Insurance 2014 (effective until 1 July 2025) and Article 132 of Law on Social Insurance 2024 (effective from 1 July 2025), if an employer fails to pay or underpays social insurance contributions, the employer may be subject to administrative penalties, be required to pay the outstanding contributions, and pay interest or late payment fees as prescribed by law. In addition, if the violation is serious or repeated, the employer may be subject to higher administrative fines or even criminal liability under Article 216 of the Penal Code 2015.

In the event we are found to be in breach of any applicable Vietnam laws and regulations relating to social insurance, our business, financial condition and prospects may be materially and adversely affected.

We are subject to changing labour laws and regulations in Vietnam

Vietnam's labour and social insurance framework under applicable labour laws and regulations is subject to periodic revisions, which may have significant implications for employers.

Recent amendments to the Law on Social Insurance 2024 (effective from 1 July 2025) introduced several notable changes to retirement conditions and pension regimes. Key changes include a reduction in the minimum social insurance contribution period required to qualify for a pension, as well as adjustments to the retirement age and eligibility criteria for various groups of employees. For example, employees will be eligible for retirement benefits with a minimum of 15 years of social insurance contributions, compared to the previous 20-year requirement. This change is expected to increase the number of employees eligible for retirement benefits in the near future.

These regulatory changes may have several effects on employers, including:

- **Increased administrative burden:** Employers will need to update their internal policies, payroll systems, and human resources procedures to ensure compliance with the new retirement conditions and reporting requirements.
- **Potential increase in operating costs:** The reduction in the minimum contribution period may lead to a higher number of employees qualifying for retirement benefits, which could result in increased social insurance contributions and related costs for employers, especially in industries with a large, long-serving workforce.
- **Compliance risks:** Failure to promptly adapt to the changing legal requirements may expose our Group to administrative penalties, back payments, or disputes with employees regarding retirement entitlements.

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- Uncertainty relating to future amendments: The social insurance and labour law framework in Vietnam is subject to further amendments and policy changes. Any future regulatory developments may impose additional obligations or costs on employers, or alter the retirement and social insurance landscape in ways that are difficult to predict

Although we have not been materially adversely affected by such changes in labour laws during the Period Under Review, we may incur increased costs associated with compliance with changes to Vietnam's labour laws, and which could have a material adverse effect on our business, operations, financial performance and prospects.

Risks relating to changes in the foreign exchange regulations of Vietnam

Under the foreign currency exchange regulations of Vietnam, foreign-invested enterprises are permitted to repatriate profits from business operations in Vietnam through various means. The Vietnamese government has continued to allow foreign-invested enterprises to convert VND into foreign currencies for repatriation of capital and the remittance of profits to its foreign investor, i.e. via the Direct Investment Capital Account (“**DICA**”) and in principle, the converted foreign currency must match the currency of DICA, unless otherwise provided by the laws. Please see the section entitled “Exchange Controls – Vietnam” of this Offer Document for further details. There can be no assurance that the Vietnamese government will maintain the same foreign exchange policy or that there will be sufficient foreign currency, particularly USD, available in the market for currency conversions. If, in the future, government regulations restrict the Vietnamese subsidiaries' ability to convert VND or there is insufficient foreign currency available in the market, we may be unable to meet our foreign currency payment obligations.

The foreign exchange management regime of Vietnam has transitioned over the years from a system of fixed multiple exchange rates controlled by the State Bank of Vietnam to a system of flexible exchange rates regulated largely by market forces.

The Vietnamese government has taken a liberal approach to foreign exchange management in that the State Bank influences the exchange rate only through the financial markets and monetary policies. We have not experienced difficulties in the repatriation of capital or the remittance of profits during the Period Under Review. However, there can be no assurance that the Vietnamese government will continue to pursue a liberal management policy in respect of foreign exchange. If it does not do so, our financing costs may increase and our financial condition and results of operations may be adversely affected by changes in the value of VND.

RISKS RELATING TO INDONESIA

We may be required to increase the capital contribution of our Indonesia subsidiary

As at the Latest Practicable Date, PT Zhong Bu Adhesive, our subsidiary in Indonesia, might be required to increase its capital contribution to minimum IDR 10 billion to be comply with the minimum issued and paid-up capital for a foreign investment company (“**New Capital Requirement**”) under BKPM Regulation No. 4 of 2021 on Guidelines and Procedures for Risk-Based Business Licensing Services and Investment Facilities of Indonesia which came into effect on 2 June 2021.

In relation to the implementation of the New Capital Requirement, Article 97 paragraph (1) of BKPM Regulation 4/2021 stipulates that companies holding valid business licenses issued before this regulation was enacted may continue to utilise those licenses in accordance with their business activities. This provision is considered a grandfathering clause, allowing certain companies to be exempt from the New Capital Requirement.

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However, as at the Latest Practicable Date, there is a lack of regulatory clarity regarding the applicability of the New Capital Requirement to existing foreign investment companies established prior to the regulation's enactment. PT Zhong Bu Adhesive has received differing views from officials of the Ministry of Investment/Investment Coordinating Board ("**BKPM**"). One BKPM official had confirmed by email that the New Capital Requirement does not apply to foreign investment companies that obtained their investment licenses (e.g., principle license, investment registration or NIB) prior to the enactment of the New Capital Requirement, unless there is a change affecting the company's capital structure. However, another BKPM official, via the BKPM's official WhatsApp channel, stated that a company established in 2010 with capital below IDR 10 billion would not be required to comply with the New Capital Requirement following a share transfer.

In April 2025, PT Zhong Bu Adhesive underwent a change in shareholding composition. Further to this, the Ministry of Law has issued a receipt of notification for the share transfer in PT Adhesive without requiring the party to adjust its capital. While it has not yet been required to increase its capital, as at the Latest Practicable Date, there remains a possibility that it may be required to do so in the future to align with the New Capital Requirement. The absence of immediate enforcement does not preclude future regulatory action or compliance obligations, and we may be met with administrative challenges in the event we seek to apply for or renew certain licences in the future, where such applications may be conditional upon our fulfilment of the New Capital Requirement.

We have ensured adequate funds and are prepared to meet the New Capital Requirement for PT Zhong Bu Adhesive, if so required by the Indonesian authorities.

RISKS RELATING TO BANGLADESH

Our liaison office in Bangladesh may be exposed to certain liabilities

Zhong Bu (Centresin), a subsidiary of our Group incorporated in Macau, had established a liaison office in Bangladesh. The validity of the Bangladesh Liaison Office ("**Bangladesh LO**") to operate as a liaison office in Bangladesh has been renewed a further 2 years with effect from 1 February 2025.

During the time from which the Bangladesh LO was established in January 2015 to July 2025, the Bangladesh LO had not been in compliance with regulatory requirements to procure Value Added Tax ("**VAT**") registration with the National Board of Revenue of Bangladesh ("**VAT Matter**"). Notwithstanding that the Bangladesh LO is for liaison purposes, and does not have commercial operations, value added tax has to be deducted at source from its payments and deposited with the National Board of Revenue. We have since obtained the VAT registration certificate on 29 July 2025.

Relating to the VAT Matter, the liability is limited to the aggregate withholding taxes and potential fines that the Bangladesh LO ought to have made to the National Board of Revenue for the period of non-compliance, which we have estimated to be approximately HK\$0.6 million as at 31 March 2025. We have sufficient internal financial resources to make payment of such amount, if so required, and our Directors are of the view that the VAT Matter would not have a material impact on our Group's business, especially since the Bangladesh LO does not carry on any commercial operations.

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RISKS RELATING TO TAIWAN

We are subject to foreign investment requirements under Taiwan laws and regulations

Our subsidiary in the BVI, Grand Infinite, is the sole shareholder of Zhong Bu Taiwan, and as such, is a foreign investor under applicable Taiwan rules and regulations and accordingly, approval of the Department of Investment Review (DIR) in Taiwan will be required should there be an increase of investment in Zhong Bu Taiwan, a change in the direct shareholding of Zhong Bu Taiwan or where there are changes to Grand Infinite's investment plan or investment structure, or where there are any other matters that are subject to DIR approval under Taiwan law. In addition, where prohibited and/or restricted businesses (as provided under Taiwan's Negative List for Inbound Investment by Foreign Investors) are involved, foreign investments in Taiwan may be subject to other special prohibitions and/or restrictions.

The relevant laws, regulations and/or rules of investment by foreign investors and PRC Investors in Taiwan are as set out in the section entitled "*Government Regulations – Taiwan Laws and Regulations*" of this Offer Document.

Currently, the business activity of Zhong Bu Taiwan does not fall within the prohibited and/or restricted industries in the Negative List for Inbound Investment by Foreign Investors. Further, Grand Infinite is not subject to any restrictions in relation to its 100% shareholding in Zhong Bu Taiwan or in the exercise of its voting rights as the sole shareholder of Zhong Bu Taiwan.

Although Grand Infinite, as a foreign investor, has obtained the approval of the DIR for its investment in Zhong Bu Taiwan, we may still need to seek additional approvals from the DIR from time to time, including approvals in relation to changes in investment structure, in accordance with its business plans and/or operational requirements. There is no assurance that such approvals will be obtained or that as part of such approvals, the DIR will not impose conditions which we would have to comply with. There is also, in general, no assurance that the DIR will not deviate from its current practices and impose new requirements on our investment even in the absence of any regulatory applications. Revised or new Taiwanese legislation, regulations or rules relating to foreign investments may also be promulgated which may have an adverse effect on our investment, and any inability to adapt to changes in any of these Taiwan regulatory requirements could have an adverse effect on our business, financial condition and results of operations.

Our Taiwanese shareholders/investors may be subject to Taiwan laws and regulations for his/her/its investment in our Company and failure to comply with these rules may affect their investment and may lead to certain punishments being imposed

Our Taiwanese shareholders and/or prospective investors may be subject to Taiwan laws and regulations in relation to their investment in our Company. For so long as our Company has PRC subsidiaries, Taiwanese shareholders' or investors' investment in our Company will constitute an indirect PRC investment under Taiwan laws and the Taiwanese shareholders/investors' investment in our Company may be subject to ex-ante or ex-post approval from the DIR, unless our Company's investment in the PRC entity is made through a Taiwan legal entity. Taiwan laws and regulations applicable to PRC investment by Taiwanese shareholders/investors depend on factors including, but not limited to, the amount invested, the investment structure and status of the investee company. The obligation to comply with such Taiwan laws and regulations rests with the individual Taiwanese shareholders or investors, rather than our Company or any entity in our Group. Taiwanese Shareholders and prospective Taiwanese investors should consult their own advisers to obtain more detailed information applicable to their case and to obtain a comprehensive understanding of the relevant legal requirements in Taiwan.

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We are subject to restrictions in relation to our representative office in Taiwan under Taiwan laws

Foreign companies are not permitted to conduct business under the name of a company in Taiwan, unless and until a lawful Taiwan presence, i.e. a Taiwan subsidiary or a Taiwan branch, has been established pursuant to Taiwan laws. Our subsidiary in Macau, Zhong Bu (Centresin) has in accordance with Taiwan laws duly registered a representative office in Taiwan. Under Taiwan laws, a liaison office or representative office is not an independent legal entity and subject to strict restrictions on its activities. Please refer to the section entitled “*Government Regulations – Taiwan Laws and Regulations*” of this Offer Document for more details. As such, our business activities and operations in Taiwan are restricted by applicable Taiwan laws and regulations.

RISKS RELATING TO MACAU

In addition to the general risk factors outlined above, prospective investors should carefully consider the following risks that are specific to our operations in Macau, our industry, and the Shares being offered:

We are exposed to risk of changes in Macau’s trade policies

As our Group’s business involves the import and export of goods, any changes in Macau’s trade policies, customs duties, or restrictions on the movement of goods could adversely impact its supply chain and cost structure. Such changes may lead to increased costs, delays, or disruptions in the procurement and delivery of goods, which may have an adverse effect on our business, financial condition and results of operations.

Macau’s limited local workforce and the competition for talent may hinder our Group’s growth in Macau

Macau’s small population and limited pool of skilled workers, particularly in administrative and technical roles, create intense competition for qualified personnel. The gaming and hospitality sectors, which dominate Macau’s economy, often attract the majority of local talent, making it more difficult for companies in other industries to recruit and retain experienced staff. This competition can lead to higher wage costs and increased staff turnover.

RISKS RELATING TO INDIA

Our Indian subsidiary may be exposed to certain liabilities arising from delay in the filing of certain statutory forms with the Reserve Bank of India

As of the Latest Practicable Date, our Singapore subsidiary, Zhong Bu Singapore holds 99.99% of the issued, subscribed and paid-up share capital of our Indian subsidiary, Zhong Bu India. Our Indian subsidiary was required to file certain statutory forms, such as the Foreign Currency Transfer of Shares (“**FC-TRS**”) and Foreign Currency–Gross Provisional Return (“**FC-GPR**”), with the Reserve Bank of India (“**RBI**”) through its Authorised Dealer bank under the Foreign Exchange Management Act, 1999 (“**FEMA**”) and applicable RBI Master Directions, in relation to the transfers and allotment made to Zhong Bu Singapore, which has been delayed.

Under FEMA, such delays constitute procedural contraventions. As per RBI’s current framework, while certain filings (such as FC-GPR) allows for regularisation through payment of a Late Submission Fee (“**LSF**”), other forms (such as FC-TRS) may additionally require a compounding application to the RBI, in which case the penalty is determined on a case-by-case basis. Our

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Indian subsidiary has taken relevant steps to complete such filings and regularise these delays (including engaging a third-party consultant to streamline the filing and regularisation process), but as at the Latest Practicable Date, we have yet to receive approval from the RBI. Accordingly, there can be no assurance that the RBI will not subject our Indian subsidiary to further penalties or in future determine that any transaction undertaken by our Indian subsidiary was in contravention of sectoral caps, pricing guidelines or any other conditions under FEMA, for the delayed filing of such forms.

Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows, financial condition and profitability

The Indian economy is influenced by economic, political and market conditions in India and globally. Any sudden downturn or sudden change in the global or local economic, political, social, legal environment or government policies (for instance, any exchange rate fluctuations, imposition of currency controls, restrictions on the right to convert or repatriate currency or export assets, geopolitical tensions, political instability, terrorism or military conflict in India or in countries in the region or globally and any other civil disobedience movements in India) which are beyond our control, may adversely affect investor sentiments in the financial market in general. While a major part of our operations is not based in India, our financial condition, results of operations and prospects may nevertheless be subject to the economic, political and legal developments in India, such as risks relating to changes in India's governmental policies, changes in foreign exchange laws or restrictions and changes in the rates or method of taxation. While we have not been materially affected by such a slowdown in the past, any future downturn in the macroeconomic environment in India could have an adverse impact on our business, results of operation, cash flows and financial condition.

RISKS RELATING TO HONG KONG

General macroeconomic conditions, particularly in Hong Kong, may materially and adversely affect our business, prospects, results of operations and financial position

The Hong Kong financial and securities market is directly affected by, among other things, the global and local political and economic environments including macroeconomic and monetary policies, currency and interest rate fluctuations and other socio-political factors. Any sudden downturn or sudden change in the global, regional or local economic, political, social, legal environment or government policies (for instance, trade wars and any other local political turmoil or civil disobedience movements) which are beyond our control, may adversely affect investor sentiments in the financial market in general. Severe fluctuations in market and economic sentiments may also lead to a prolonged period of sluggish market activities which would in turn have an adverse impact on the securities market and consequently our business and operating performance may be materially and adversely affected.

While the major part of our operations is not based in Hong Kong, our financial condition, results of operations and prospects may nevertheless be subject to the economic, political and legal developments in Hong Kong, such as risks relating to changes in Hong Kong governmental policies, changes in Hong Kong laws or regulations or their interpretation, measures that may be introduced to control inflation, such as interest rate increases, and changes in the rates or method of taxation. In the event that there is a downturn in the economy of Hong Kong, any recurrence of recession in Hong Kong, deflation, any changes in Hong Kong's currency policy or any changes in laws and policies governing our Group's business, our Group's business operations and hence financial results and financial position would be adversely and materially affected.

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The state of political environment in Hong Kong may adversely affect our performance and financial position

Hong Kong is a special administrative region of the PRC. The basic policies of the PRC regarding Hong Kong are embodied in the Basic Law of Hong Kong, which provides that Hong Kong shall exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication under the principle of “one country, two systems” which is guaranteed not to change for 50 years from 1997. Since a minor part of our operations is based in Hong Kong, any changes of such political arrangements may adversely impact the stability of the economy in Hong Kong, thereby directly and adversely affecting our results of operations and financial position.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

Our Company is incorporated in the Cayman Islands and our Shares have a primary listing on the HKSE and are subject to Cayman Islands laws and regulations, which may differ from laws and regulations applicable to Singapore-incorporated companies listed on the SGX-ST

Our corporate affairs are governed by, among others, our Memorandum and Articles of Association, Cayman Islands laws and the HKSE Listing Rules applicable to companies listed on the HKSE. The rights of our Shareholders to take legal action against us and our Directors, the protection of the interests of minority Shareholders, and the fiduciary responsibilities owed by our Directors to us under Cayman Islands law may differ from those applicable to a company incorporated in Singapore. As a result, our public Shareholders may have difficulty in protecting their interests in connection with actions taken by our Board of Directors, management or Controlling Shareholders as compared with shareholders of a company incorporated in Singapore. Please see the section entitled “Appendix C – Comparison of Selected Cayman Islands Corporate Law Provisions and Singapore Corporate Law Provisions” of this Offer Document for a summary comparison of certain key differences between the Cayman Islands Companies Act and the Singapore Companies Act. Each of the summaries is not intended to be and does not constitute legal advice and any person wishing to have advice on the differences between the Cayman Islands Companies Act and the Singapore Companies Act and/or the laws of any other jurisdiction is recommended to seek independent legal advice.

Further, the nature and content of information required to be publicly disclosed under the HKSE Listing Rules may differ from the public disclosures made by companies listed on the SGX-ST. These differences may include, among others, differences with respect to the disclosure of beneficial ownership of our equity securities and related party or connected transactions.

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

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

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

Disclosure of interest in Shares of Substantial Shareholders

As a company already listed on the HKSE, we are obliged to adhere to Hong Kong rules and regulations, including the SFO HK, which requires, amongst other things, disclosure of a person's notifiable interest in our Shares. Similar to the requirements under the SFA, such disclosure is required under the SFO HK in the event a person has an interest of 5% or more of the Company's issued voting share capital. However, there are some differences between the SFA and SFO HK for determining what constitutes an "interest in shares" and when a notification of interest in the Shares would be required. For a summary of the differences in the SFA and SFO HK in these respects, please see the section entitled "Appendix I – Comparison of Substantial Shareholding Disclosure Requirements under Singapore and Hong Kong Rules" of this Offer Document.

We have taken steps to identify our Substantial Shareholders (other than Mr. leong, whose interest in our Shares is as set out at the section entitled "Shareholders – Ownership Structure" of this Offer Document), including, amongst others: (a) review of public information on disclosure of interest filed by our existing Shareholders who are directly or indirectly interested in 5% or more voting shares of the Company on the website of the HKSE; (b) invoking section 329 of the SFO HK to investigate ownership of our Shares by writing to the market intermediaries which hold more than 2% of our issued Shares to confirm the identity of underlying individual shareholders; and (c) releasing a public announcement on HKSE to request for any Substantial Shareholders to identify themselves to us and to notify of related ongoing disclosure obligations under the SFA. As at the Latest Practicable Date, no person has identified themselves to us as being a Substantial Shareholder (other than the Substantial Shareholders described in the section entitled "Shareholders – Ownership Structure" of this Offer Document).

Notwithstanding the above, there is a risk that there could be person(s) falling within the definition of a Substantial Shareholder but whom have not identified themselves and notified us, such that the actions taken by us above may not result in definitively conclusive information on the Substantial Shareholders. As the names of investors owning Shares through market intermediaries or other investor participants are not known to us, it is impracticable for us to ensure that all Substantial Shareholders and their respective changes in interest in their Shares are reported and disclosed after our admission to Catalist.

The time lag of the transfer of Shares between the Hong Kong and Singapore markets could be longer than expected, and our Shareholders might not be able to settle or effect any Share sale during this period.

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There is no direct trading or settlement between the SGX-ST and HKSE. To enable the transfer of Shares between the two exchanges, our Shareholders are required to comply with specific procedures and bear the necessary costs. See the section entitled “Clearance and Settlement – Movement of Shares between Hong Kong and Singapore” of this Offer Document for more information. Under normal circumstances and assuming that there are no deviations from the usual share transfer procedures, our Shareholders can expect a normal transfer from the Singapore Branch Share Register to the Hong Kong Branch Share Register to complete within 15 Business Days and from the Hong Kong Branch Share Register to the Singapore Branch Share Register within 15 Business Days, depending on whether our Shares are registered under CCASS, CDP or in the name of our Shareholders. However, we cannot assure you that the transfer of Shares will be completed in accordance with this timeline. There could be unforeseen market circumstances or other factors that could delay the transfer, thereby preventing our Shareholders from settling or effecting the sale of their Shares.

Future sales of our Shares could adversely affect our Share price

Any future sale or issue of our Shares could have a downward pressure on our Share price. The issue or sale of a significant number of Shares in the public market after the Placement, or the perception that such issue or sales may occur, could materially and adversely affect the market price of our Shares. These factors could also affect our ability to issue additional equity securities. Except as otherwise described in the section entitled “Shareholders – Moratorium” of this Offer Document, there will be no restriction on the ability of our Shareholders to sell their Shares either on Catalist or otherwise.

Investors in our Shares may face immediate and substantial dilution in the book value per Share and may experience future dilution

As described in the section entitled “Dilution” of this Offer Document, our Placement Price of 39.0 cents per Share is higher than our NAV per Share of 35.7 cents as at 31 March 2025 (adjusted for the net proceeds from the Placement and based on the post-Placement issued share capital of 316,775,538 Shares). Thus, there is an immediate dilution in the book value per Share.

In addition, we may, in the future, expand our capabilities and business through acquisitions, joint ventures and strategic partnerships with parties who can add value to our business. We may also require additional equity funding after the Placement. If we choose to issue new Shares in order to finance future expansions, acquisitions, joint ventures and strategic partnerships, our Shareholders will face dilution of their shareholdings.

In particular, if we offer, or cause to be offered to Shareholders, rights to subscribe for additional Shares or any right of any other nature, we will have discretion as to the procedures to be followed in making such rights offering available to Shareholders, or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to such Shareholders. We may choose not to offer such rights to Shareholders having an address in a jurisdiction outside Singapore and such Shareholders may experience a dilution in their shareholdings as a result.

Investors may not be able to participate in future issues of Shares and may experience dilution in their shareholdings

In the event our Company elects to conduct a rights issue or other forms of equity issuances, our Company will have discretion, subject to our Articles of Association and relevant regulations, as to the procedures to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the

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net proceeds available to them. In addition, our Company may choose not to offer such rights to our existing Shareholders having an address outside Singapore in any territory where, in the absence of a registration statement or other special formalities, a rights offering would or might, in the opinion of our Board, be unlawful or impracticable. Accordingly, holders of our Shares may be unable to participate in future offerings of our Shares and may experience dilution of their shareholdings as a result.

The Placement may not result in an active or liquid market on the SGX-ST for our Shares

As at the date of this Offer Document, there is no public market for our Shares in Singapore. The Placement Price may not be indicative of the market price for our Shares after the completion of the Placement. There is no assurance that an active market for our Shares will develop or, if developed, will be sustained, or that the market price for the Shares will not decline below the Placement Price. Accordingly, you may be unable to sell your Shares at or above the Placement Price.

Once our Shares are tradable on the SGX-ST, the trading prices of our Shares on the HKSE and the SGX-ST respectively may differ significantly due not only to currency fluctuations but also due to differences in market liquidity of our Shares, trading participants and investor bases, exchange trading systems and other factors outside our control. There is no guarantee that the trading price of our Shares on the SGX-ST will be equivalent to the trading price of our Shares on the HKSE. Additionally, while we have applied for dual primary listing of and permission to deal in our Shares on the SGX-ST, and that our shares can be transferred from the Hong Kong Branch Share Register to the Singapore Branch Share Register and be traded on the SGX-ST, there is no certainty as to the number of shares that can be traded in Singapore (other than the Placement Shares which are registered on the Singapore Branch Share Register). As such, there is no assurance that the Placement will result in an active, liquid public trading market in Singapore.

We are concurrently subject to Hong Kong and Singapore listing and regulatory requirements

We will be concurrently subject to Hong Kong and Singapore listing and regulatory requirements which may give rise to additional cost. We are listed on the Main Board of HKSE. Upon the Placement, we will be dually listed on both the Catalist board of the SGX-ST and the Main Board of HKSE. We will therefore be subject to both the Catalist Rules and the HKSE Listing Rules, and other regulatory regimes of both Hong Kong and Singapore (including corporate governance and sustainability reporting), unless otherwise agreed or waived by the relevant regulators. As such, we may incur additional costs and resources in complying with the requirements of both Hong Kong and Singapore.

We also have to comply with Hong Kong laws and regulations, such as the HKSE Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs, the Securities and Futures Ordinance, etc., and certain non-compliance therewith could lead to sanctions being imposed on us and/or suspension in trading of the Shares which are listed on the HKSE, and in such event there may be an adverse impact on the performance or financials of the Company. This may in turn affect the performance of the Share prices on Catalist.

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Our Share price may be volatile in the future, which could result in losses for investors purchasing our Shares in this Placement

The trading price of our Shares could be subject to significant fluctuations as a result of, among others, the following factors, some of which are beyond our control:

- variations of our financial or operating results;
- liquidity of the market for our Shares;
- differences between our actual financial results and those expected by investors and investment analysts;
- changes in analysts' recommendations, or estimates and projections of our financial performance;
- technological developments in our industry;
- announcements by us of significant acquisitions, strategic alliances or joint ventures;
- our involvement in material litigation; and
- changes in general economic, political and social conditions and broad market fluctuations, including general market conditions of securities in Hong Kong and elsewhere in the world.

In addition, our Share price will be under downward pressure if our Shareholders sell their respective Shares immediately after the Placement or moratorium.

Moreover, investors may have different perceptions of companies with significant operations and assets in certain countries, including those that our Group have operations in, and thus it is possible that our Shares may be subject to changes in price not directly related to our performance.

For these reasons, among others, our Shares may trade at prices that are higher or lower than the Placement Price and/or our NAV per Share. These fluctuations may be exaggerated if the trading volume of the Shares is low. Volatility in the price of the Shares may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks. In addition, our Shares are not capital-safe products and there is no guarantee that investors of our Shares can realise a higher amount or even the principal amount of their investments. Any of the factors listed above could adversely affect the price of the Shares and you may not be able to sell your Shares at a price that is attractive to you, or at all.

We may be constrained from paying dividends on the Shares

We are not legally or contractually required to pay dividends and any determination to pay dividends in the future will be entirely at the discretion of our Board, taking into consideration our operating results and cash flow, other cash requirements including capital expenditures, financing arrangements (if any), future plans, general business conditions and other factors which our Board may determine as appropriate, many of which are beyond our control. Please see the section entitled "Dividend Policy" of this Offer Document for further details on our dividend policy. We may not be able to pay dividends in the future if we are unable to successfully implement our

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strategies or if there are adverse developments to our business as a result of competitive, regulatory, general economic conditions, demand and other factors specific to our industry, many of which are beyond our control. In addition, agreements which we may enter into in the future may limit or prohibit, among other things, the ability of our subsidiaries to make distributions to us and thus our ability to pay dividends to our Shareholders.

Investors may be subject to tax arising from payment of dividends on the Shares

We are not legally or contractually responsible for any tax effects or liabilities of investors resulting from the payment of dividends on our Shares. You may be subject to corporate or individual income tax or withholding or capital gains tax on dividends you receive, depending on your individual circumstances and tax residency. For information relating to taxes payable on dividends, please refer to “Appendix E – Taxation” of this Offer Document, which sets out general descriptions of certain tax consequences in the jurisdictions described in that section. Investors should consult their own professional advisers regarding the tax consequences of receiving dividends, including the applicability of any tax treaties and the impact of their individual tax positions.

Exchange rate fluctuations may adversely affect the value of our Shares and any dividend distribution

Our Shares will be quoted in HK\$ on the HKSE and in S\$ on the SGX-ST. Dividends, if any, with respect to our Shares will be declared in HK\$ and converted to S\$ for payment in relation to Shares which are listed on the SGX-ST. When the Company declares the dividend in HK\$ on a per share basis, the Company will also announce the exchange rate applied and the S\$ equivalent dividend per share. Based on the number of shares held on the record date, shareholders will receive their dividends in Singapore dollars. Fluctuations in the exchange rate between the Hong Kong dollar and the Singapore dollar will affect, among other things, the value of the dividends received in Singapore dollars by investors of our Shares listed on the SGX-ST. Should you sell our Shares on the HKSE or the SGX-ST, and you decide to convert the proceeds from the sale into S\$ or HK\$, you will be subject to the prevailing exchange rate between S\$ and HK\$ at the time you convert the proceeds from your sale. Any fluctuation in exchange rates of this nature may have an impact on the proceeds which you receive from the sale of your Shares. Please see the section entitled “Exchange Controls” of this Offer Document for further information regarding fluctuations in the value of the HK\$ relative to S\$.

Our Company’s Controlling Shareholder retains significant control over our Company

Our Company’s Controlling Shareholder, All Reach Investments Limited, which is wholly and beneficially owned by Mr. leong Un, will retain significant control over our Company after the Placement, and as such, will be able to influence the outcome of matters submitted to Shareholders for approval. Upon the completion of the Placement, Mr. leong Un will beneficially own in aggregate approximately 66.5% of the issued Shares. As a result, he will be able to exercise significant influence over all matters requiring shareholder approval, including the election of Directors and the approval of significant corporate transactions, and will effectively have veto power with respect to any Shareholder action or approval requiring a majority vote except where he is required to abstain from voting. Such concentration of ownership also may have the effect of delaying, preventing or deterring a change in control of our Company which may benefit our Shareholders.

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Negative publicity may adversely affect our Share price

Negative publicity or announcements relating to our Company or any of our Directors, Executive Officers or Controlling Shareholders may materially and adversely affect the market perception or the Share performance of our Company, whether or not it is justified. Examples of negative publicity may include unsuccessful attempts at joint ventures, acquisitions or take-overs, or involvement in insolvency proceedings.

There is no assurance that we will remain listed on either the HKSE or the SGX-ST

While our Shares are currently listed on the HKSE and will, following the Placement, be listed on the SGX-ST, there is no assurance that they will continue to be so listed on both or either stock exchange in the future. We may not be able to continue to satisfy the listing requirements under the regulations of the HKSE or other relevant rules, regulations or laws in the Cayman Islands or Singapore. If our Shares are suspended from quotation, removed from trading or otherwise cease to be traded on the HKSE or the SGX-ST, our Shareholders and CDP Depositors (as the case may be) will not be able to trade our Shares on the HKSE and/or the SGX-ST. Further, there is no assurance that any of such Shareholders or CDP Depositors will be entitled to compensation or an exit offer, or that the terms of any such compensation or exit offer will be satisfactory to them. If our Shares cease to be listed on the SGX-ST and in the event there is no exit offer or CDP Depositors choose not to accept the exit offer, such CDP Depositors may have to transfer their Shares to the HKSE for disposal or trading. Please see the section entitled "Clearance and Settlement" of this Offer Document for further details regarding transfers of our Shares between the SGX-ST and the HKSE.

The different characteristics of the capital markets in Singapore and Hong Kong may negatively affect the trading prices of our Shares

Following the Placement, we will be subject to Singapore and Hong Kong listing and regulatory requirements concurrently. The SGX-ST and HKSE have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our Shares may not be the same, even allowing for currency differences. Fluctuations in the price of our Shares due to circumstances peculiar to the Hong Kong capital market could materially and adversely affect the price of our Shares, or vice versa. Certain events having significant negative impact specifically on the Hong Kong capital markets may result in a decline in the trading price of our Shares notwithstanding that such event may not impact the trading price of securities listed in Singapore generally or to the same extent, or vice versa. Due to the different characteristics of Singapore and Hong Kong capital markets, the historical market prices of our Shares may not be indicative of the trading performance of our Shares after the Placement.

There may be difficulties in protecting your interests under the laws of the Cayman Islands

Our corporate affairs are governed by, among other things, our Memorandum and Articles of Association, the Cayman Islands Companies Act and common law of the Cayman Islands. The rights of Shareholders to take action against our Directors, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands, the Cayman Islands Companies Act and our Memorandum and Articles of Association. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands.

RISK FACTORS

The laws of the Cayman Islands relating to the protection of the interests of minority Shareholders differ in some respects from those in other jurisdictions. Such differences may mean that the remedies available to the minority Shareholders may be different from those they would have under the laws of other jurisdictions.

Facts, forecasts and statistics in this Offer Document relating to our industry may not be fully reliable

Facts, forecasts and statistics in this Offer Document relating to the industry we operate in are obtained from various sources that we believe are reliable, including publications of third parties. Although reasonable steps have been taken by the Directors to ensure that such information and statistics were extracted accurately from reliable sources, we cannot guarantee the quality or reliability of these sources. Neither we nor our respective affiliates or advisers have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from these sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and factual information and other problems, the industry statistics in this Offer Document may be inaccurate and you should not place undue reliance on them. We make no representation as to the accuracy of such facts, forecasts and statistics obtained from various sources. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

Singapore law contains provisions that could discourage a take-over of our Company

The Singapore Take-over Code and sections 138, 139 and 140 of the SFA (collectively, the “**Singapore Take-over and Merger Provisions**”) contain certain provisions that may delay or deter a future take-over or change in control of our Company for so long as our Shares are listed for quotation on the SGX-ST. Except with the consent of the Securities Industry Council of Singapore, any person acquiring an interest, whether by a series of transactions over a period of time or otherwise, either on his/her own or together with parties acting in concert with him/her, in 30.0% or more of our voting Shares is required to extend a take-over offer for our remaining voting Shares in accordance with the Singapore Take-over and Merger Provisions. Except with the consent of the Securities Industry Council of Singapore, such a take-over offer is also required to be made if a person holding between 30.0% and 50.0% (both inclusive) of our voting Shares (either on his/her own or together with parties acting in concert with him/her) acquires additional voting Shares representing more than 1.0% of our voting Shares in any six (6)-month period. While the Singapore Take-over Code seeks to ensure an equality of treatment among shareholders, its provisions could substantially impede the ability of shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and their ability to realise any benefit from a potential change of control.

USE OF PROCEEDS AND LISTING EXPENSES

Net proceeds from the Placement

The total gross proceeds to be raised from the Placement comprising all New Shares will be approximately S\$13.7 million.

The estimated net proceeds to be raised by our Company from the Placement, after deducting the aggregate estimated expenses in relation to the Placement of approximately S\$2.6 million, will be approximately S\$11.1 million.

The allocation of each principal intended use of proceeds and a breakdown of the aggregate estimated listing expenses is set out below:

	Estimated amount (S\$'000)	Estimated amount for each dollar of the gross proceeds from the issuance of the Placement (cents)
Use of proceeds		
Expansion to overseas markets	6,232	45.5
Expansion through acquisitions, joint ventures, or strategic alliances	2,449	17.9
General working capital	2,449	17.9
Net proceeds from the Placement	11,130	81.3
Estimated listing expenses		
Professional fees and expenses	1,871	13.7
Placement commission	479	3.5
Miscellaneous expenses (including listing and processing fees)	209	1.5
Total listing expenses	2,559	18.7
Gross proceeds⁽¹⁾	13,689	100.00

Notes:

- (1) The amount of placement commission per Placement Share, agreed upon between the Placement Agent and our Company is 3.5% of the Placement Price per Placement Share. Please refer to the section entitled "Plan of Distribution – Sponsorship, Management and Placement Arrangements" of this Offer Document for further details.
- (2) Of the total estimated expenses of approximately S\$2.6 million, approximately S\$0.7 million of the expenses for the issue of the New Shares will be written off against the share premium account of the Company and the balance will be charged to the profit and loss account of our Company.

Please refer to the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document for further details on our use of proceeds. In particular, our future plans may be funded, apart from net proceeds from the Placement, either through internally generated funds and/or external borrowings.

USE OF PROCEEDS AND LISTING EXPENSES

Pending the deployment of the net proceeds from the issue of the New Shares as aforesaid, the funds may be placed in short term deposits with banks and financial institutions, used to invest in short term money market instruments and/or used for working capital requirements as our Directors may deem fit at their absolute discretion.

We will make periodic announcements on the use of the net proceeds from the issue of the New Shares as and when the proceeds are materially disbursed, and provide a status report on the use of the proceeds in our annual report(s) and results announcement(s).

The discussion above represents our Company's reasonable estimate of our allocation of the net proceeds from the issue of the New Shares based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and our Company may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that any part of our proposed uses of the net proceeds from the issue of the New Shares does not materialise or proceed as planned, our Directors will evaluate the situation and may reallocate the intended funding to other purposes and/or hold such funds on short term deposits for so long as our Directors deem it to be in the interest of our Company and our Shareholders, taken as a whole. Any change in the use of the net proceeds will be subject to the Catalist Rules and appropriate announcements will be made by our Company on SGXNET.

Save as disclosed in the section entitled "General Information on our Group – Business Strategies and Future Plans – Future Plans" in this Offer Document, none of the net proceeds from the issue of the New Shares will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity. As at the Latest Practicable Date, we have not identified any business or asset to be acquired. None of the net proceeds from the issue of the New Shares will be used to discharge, reduce or retire any indebtedness of our Group.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised from the issue of the New Shares.

Listing Expenses

The estimated amount of expenses in relation to this listing is approximately S\$2.6 million, including professional fees, placement commission, listing and processing fees. Such expenses will be borne by us and deducted from the gross proceeds from the Placement.

Apart from the brokerage which subscribers for Placement Shares may be required to pay as described in the section entitled "*Plan of Distribution – Placement Shares*" of this Offer Document, no other expenses are specifically charged to subscribers for Placement Shares.

DIVIDEND POLICY

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

PAST DIVIDENDS

Our Company has paid aggregate dividends, in respect of each of FY2022, FY2023, FY2024, 6M2025 and from 1 April 2025 to the Latest Practicable Date as follows:

	FY2022 (HK\$'000)	FY2023 (HK\$'000)	FY2024 (HK\$'000)	6M2025 (HK\$'000)	From 1 April 2025 to the Latest Practicable Date (HK\$'000)
Our Company	26,478	37,744	43,378	30,421	28,731

Save as disclosed above, no dividends had been declared or paid by our Company or subsidiaries (except where dividends were paid to our Company or other subsidiaries of our Group) in respect of each of FY2022, FY2023, FY2024, 6M2025 and from 1 April 2025 to the Latest Practicable Date.

DIVIDEND POLICY

The Company has adopted a dividend policy (the “**Dividend Policy**”) in recommending dividends, to allow the Shareholders to participate in the Company’s profits and for the Company to retain adequate reserves for future growth. The amount of dividends declared and paid by us in the past should not be taken as an indication of the dividends payable in the future. The amount to be paid will be at the discretion of the Directors and will depend upon our Group’s future operations and earnings, capital requirements and surplus, general financial conditions and other factors which the Directors consider to be relevant. Furthermore, the Controlling Shareholders will be able to influence the declaration and approval of any dividend distribution.

The Board endeavours to maintain a balance between meeting the Shareholders’ expectations and prudent capital management with a sustainable Dividend Policy.

The Board shall also take into account the following factors of our Group when considering the declaration and payment of dividends, inter alia:

- (a) the actual and expected financial performance and the financial results;
- (b) the actual and available surplus and working capital;
- (c) the expected working capital requirements and cash flow required for the future expansion plans;
- (d) the debt to equity ratios and the debt level;
- (e) any restrictions on payment of dividends that may be imposed by lenders to our Group (if any);

DIVIDEND POLICY

- (f) the general economic and business conditions, business cycle and other internal and external factors that may have an impact on the business conditions or financial performance, the strategies and the financial position of the Company;
- (g) the future operations and earnings; and
- (h) any other conditions or factors that the Board deems relevant.

Subject to the Cayman Islands Companies Act and our Articles of Association, our Shareholders in general meeting may from time to time declare a dividend but no dividend shall be declared in excess of the amount recommended by our Board of Directors. Our Board of Directors may, without the approval of our Shareholders, from time to time pay to the Shareholders any interim dividends as appear to the Board to be justified by the profits of the Company.

The form, frequency and amount of dividend payment by the Company are subject to any restrictions under applicable companies laws of the Cayman Islands, our Memorandum, Articles of Association, any other applicable laws and regulations and any other financial covenants imposed by financial institutions. The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future. Under the laws of the Cayman Islands, the Company may pay a dividend out of either profit or share premium account; provided that in no circumstances may a dividend be paid out of its share premium if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business.

The Board will continually review the Dividend Policy and reserve the rights in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Shareholders whose Shares are held through CDP will receive their dividends through CDP in S\$. We will make the necessary arrangements to convert the dividends into the S\$ equivalent at the prevailing exchange rate obtained by us on the relevant date for onward distribution to CDP and CDP's onward distribution to entitled Shareholders. Neither our Company nor CDP will be liable for any loss incurred due to the conversion of the dividend entitlement of Shareholders holding their Shares through CDP into the S\$ equivalent. Investors should not make any inference from the foregoing statements as to our actual future profitability or our ability to pay any future dividends. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

For information relating to taxes payable on dividends, please refer to "Appendix E – Taxation" of this Offer Document.

SHARE CAPITAL

Our Company (Company Registration Number: 234794) was incorporated in the Cayman Islands on 15 December 2009 under the Cayman Islands Companies Act as an exempted company with limited liability.

As at the date of this Offer Document, the authorised share capital of our Company is HK\$50,000,000 divided into 2,500,000,000 shares of a nominal or par value of HK\$0.02 each, and our issued and paid-up share capital is HK\$5,633,510.76 divided into 281,675,538 shares of a nominal or par value of HK\$0.02 each.

As at the date of this Offer Document, our Company has only one (1) class of shares, being ordinary shares. The rights and privileges attached to our Shares are stated in our Articles of Association. A summary of selected regulations of our Articles of Association relating to, among others, voting rights of our Shareholders is set out in the section entitled “Appendix D – Summary of Certain Provisions of the Memorandum and Articles of Association of our Company and the Cayman Islands Companies Act” of this Offer Document.

As at the Latest Practicable Date, all of our issued Shares are fully paid up.

There are no founder, management or deferred shares.

No person has, or has the right to be given, an option to subscribe for any securities of our Company or our subsidiaries. As at the Latest Practicable Date, no option to subscribe for any Shares in our Company has been granted to, or was exercised by, any of our Directors or Executive Officer.

At an extraordinary general meeting of the Company held on 25 September 2025 (“EGM”), the Shareholders had approved, among others, the following:

- (a) the consolidation of every two (2) ordinary shares of a nominal or par value HK\$0.01 each in the capital of our Company into one (1) ordinary share of a nominal or par value HK\$0.02 each (the “**Share Consolidation**”) with the effective date of the Share Consolidation to be on 20 October 2025 (or such other date as determined by the board of directors of the Company, in any event no later than 31 December 2025). Subsequent to the Shareholders’ approval of the Share Consolidation at the EGM, it was completed on 20 October 2025;
- (b) the adoption of the new Memorandum of our Company in connection with the Share Consolidation and the adoption of the new Articles of Association effective from the listing and quotation of the Shares of the Company on Catalist (“**Amended M&A**”);
- (c) the listing and quotation the Shares of the Company on Catalist; and
- (d) the appointment of RSM SG Assurance LLP as joint auditors (with RSM Hong Kong) of the Company upon the Listing.

SHARE CAPITAL

Our Company has to continue to comply with HKSE Listing Rules, and the Shareholders have approved ordinary resolutions at the annual general meeting of the Company held on 24 February 2025 granting the Directors general mandates authorising them to:

- (i) exercise the powers of our Company to allot, issue and otherwise deal with new Shares (including sale and transfer of treasury shares) not exceeding 20% of the total number of Shares in issue (excluding treasury shares) as at the date of passing of such resolution (the “**Issue Mandate**”);
- (ii) repurchase Shares on HKSE not exceeding 10% of the total number of Shares in issue (excluding treasury shares) as at the date of passing of such resolution (the “**Repurchase Mandate**”); and
- (iii) extend the Issue Mandate by an amount representing the total number of Shares repurchased under the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate will continue until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and the Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of such authority by an ordinary resolution of the Shareholders in a general meeting.

The above Issue Mandate is lower than that under Catalist Rule 806, which provides that a general mandate must limit the aggregate number of new shares that may be issued, which shall not exceed 100.0% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the company. Upon the allotment and issue of the New Shares, the resultant issued and paid-up share capital of our Company will be HK\$6.3 million comprising 316,775,538 Shares, after taking into account the capitalisation of the expenses in relation to the Placement.

Details of the changes in the issued and paid-up share capital of our Company and our subsidiaries for a period of 3 years before the Latest Practicable Date and the resultant issued and paid-up capital of our Company immediately after are as follows:

CHANGES IN SHARE CAPITAL

Save for the Share Consolidation, there has been no change in the amount of the issued share capital of our Company or the number and classes of shares of which it was composed, for the period of 3 years before the Latest Practicable Date.

SHARE CAPITAL

Save as disclosed below, no shares in any of our subsidiaries have been issued during the three (3) years preceding the date of this Offer Document:

Zhong Bu Taiwan

Date/period of issue/change	Amount of capital contribution/ Increase or decrease in capital contribution	Issue price per share	Resultant no. of shares	Resultant capital amount	Reason for issue/change
15 September 2023	Capital contribution of NT\$15,954,617	Not applicable	Not applicable	NT\$15,954,617	Incorporation

Guangzhou Xingqian

Date/period of issue/change	No. of shares issued/ Increase or decrease in share capital	Issue price per share	Resultant no. of shares	Resultant issued share capital	Reason for issue/change
5 March 2024	Decrease in registered capital from USD10 million to USD450,000	Not applicable	Not applicable	USD450,000	Registered capital buyback in response to changes in operating environment and market

Zhong Bu India

Date/Period of Issue/ Change	No. of Shares Issued/ Increase or Decrease in Share Capital	Issue Price per share	Resultant No. of Shares	Resultant Issued Share Capital	Reason for Issue/Change
3 May 2024	Issue of 10,000 shares	₹10	10,000	₹100,000	Incorporation
26 July 2024	Issue of 3,486,420 shares	₹10	3,496,420	₹34,964,200	Rights issue

SHARE CAPITAL

Zhong Bu Malaysia

Date/Period of Issue/Change	No. of Shares Issued/ Increase or Decrease in Share Capital	Issue Price per share	Resultant No. of Shares	Resultant Issued Share Capital	Reason for Issue/Change
2 April 2025	Issue of 100,000 shares	USD1	100,000	USD100,000	Incorporation

The issued and paid-up share capital of our Company as at 1 October 2023, 30 September 2024 and as at the Latest Practicable Date, immediately before the Placement, and immediately after the Placement is set out below:

	Number of Shares	Issued and paid-up capital (HK\$'000)
Issued and paid-up number of Shares as at 1 October 2023, 30 September 2024 and as at the Latest Practicable Date	563,351,076	5,634
Immediately before the Placement	281,675,538 ⁽¹⁾	5,634
Issue of New Shares pursuant to the Placement	35,100,000	702 ⁽²⁾
Post-Placement issued and paid-up share capital	316,775,538	6,336

Notes:

- (1) Share Consolidation has taken place on 20 October 2025.
- (2) It is envisaged that a set-off of our Company's estimated expenses of approximately HK\$4.2 million for the issue of the New Shares would be made against our share premium account.

Save as set out in this section and in the section entitled "General and Statutory Information – Changes in Share Capital" of this Offer Document, there were no changes in the issued and paid-up share capital of our Company and our Subsidiaries within the three (3) years preceding the Latest Practicable Date.

There have been no changes to the voting rights of the issued share capital of our Company and our subsidiaries within the three (3) years preceding the Latest Practicable Date.

SHAREHOLDERS

OWNERSHIP STRUCTURE

The shareholdings of our Directors, CEO and Substantial Shareholders as at the Latest Practicable Date, and immediately before and after the Placement are set out below:

	As at Latest Practicable Date			Immediately before Placement			Immediately after the Placement		
	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	Direct Interest Number of Shares	%	Deemed Interest Number of Shares
Directors									
leong Un (CEO)	78,818,769	13.99	342,500,000 ⁽¹⁾	39,409,384 ⁽³⁾	13.99	171,250,000 ⁽³⁾	39,409,384 ⁽³⁾	12.44	171,250,000 ⁽³⁾
Ip Ka Lun	-	-	-	-	-	-	-	-	-
Stephen Graham Prince	-	-	-	-	-	-	-	-	-
Chan Wing Yau George	-	-	-	-	-	-	-	-	-
Li Sin Man	-	-	-	-	-	-	-	-	-
Simon Luk	-	-	-	-	-	-	-	-	-
Tay Peng Huat	-	-	-	-	-	-	-	-	-
Substantial Shareholders⁽²⁾ (other than Directors/CEO)									
All Reach	342,500,000	60.80	-	171,250,000 ⁽³⁾	60.80	-	171,250,000 ⁽³⁾	54.06	-
Chan Sut Kuan	-	-	421,318,769 ⁽¹⁾	-	-	210,659,384 ⁽³⁾	-	-	210,659,384 ⁽³⁾
Public	142,032,307	25.21	-	71,016,154 ⁽³⁾	25.21	-	106,116,154	33.50	-
Total	563,351,076	100.0	-	281,675,538⁽³⁾	100.0	-	316,775,538	100.0	-

SHAREHOLDERS

Notes:

- (1) The Shares are held by All Reach Investments Limited (“**All Reach**”), the entire share capital of which is wholly and beneficially owned by Mr. leong. Accordingly, Mr. leong is deemed or taken to be interested in the Shares owned by All Reach under the SFA. As to his spouse, Chan Sut Kuan (“**Mrs. leong**”) has confirmed that she does not have a controlling interest, management or control of any of Mr leong’s companies. Therefore, the nature of her interest does not fall within the ambit of the SFA. However, under the Hong Kong Securities and Futures Ordinance, Mrs leong is deemed to be interested in the Shares owned by Mr. leong and All Reach by virtue of her relationship to Mr. leong.
- (2) See the section entitled “Risk Factors – Disclosure of interest in Shares of Substantial Shareholders” of this Offer Document.
- (3) Approval of shareholders for the proposed Share Consolidation has been obtained at an EGM held before lodgement of the preliminary offer document, and the Share Consolidation has not taken place at the time of lodgement. Share Consolidation is effected on 20 October 2025.

SHAREHOLDERS

As at the Latest Practicable Date, and save as disclosed in the section entitled “Shareholders – Ownership Structure” of this Offer Document, there are no relationships among our Directors, Executive Officers and Substantial Shareholders and there are no arrangements or understandings with any Substantial Shareholders, customer or supplier of our Group or other person, pursuant to which any of our Directors and Executive Officer were appointed.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Placement Shares which are the subject of the Placement. Our Directors are not aware of any known arrangement, the operation of which may, at a subsequent date, result in a change in the control of our Company.

As at the Latest Practicable Date, the percentage of shareholding of our Company held by other Shareholders (other than the Directors and Substantial Shareholders) is approximately 25.2%.

Save as disclosed above, to the best of the knowledge of our Directors, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any corporation, any government or other natural or legal person.

There is no restriction on the transfer of the fully paid Shares in scripless form except where required by law or the Catalist Rules.

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

SIGNIFICANT CHANGES IN THE PERCENTAGE OF OWNERSHIP

There were no significant changes in the percentage of ownership of the Shares held by each of our Company Directors and Substantial Shareholders within the three (3) years preceding the Latest Practicable Date.

MORATORIUM

Promoters

Under the Catalist Rules, (a) our Controlling Shareholders and their respective Associates; and (b) our Executive Directors with interest of 5% or more as at the date of admission of our Company to Catalist, namely leong Un and All Reach Investments Limited, will be deemed promoters of our Company (collectively, the “**Promoters**” and each a “**Promoter**”).

Each of leong Un, and All Reach Investments Limited has given moratorium undertakings in respect of Shares which it or he holds or has an interest in, as at the date of their respective undertaking and which it or he will hold or have an interest in immediately after the Placement (the “**Moratorium Shares**”).

SHAREHOLDERS

To demonstrate their commitment to our Group, leong Un and All Reach Investments Limited has given an undertaking to our Company, and the Sponsor, that he/it will not, in respect of any or all of the Moratorium Shares, for a period of six (6) months commencing from the date of admission of our Company to Catalist (the “**First Moratorium Period**”), directly or indirectly:

- (a) sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, or otherwise dispose of, transfer or encumber (such as by way of mortgage, assignment of rights, charge, pre-emption rights, rights of first refusal or otherwise), any part or all of the Moratorium Shares;
- (b) enter into any agreement, transaction or other arrangement, in whole or in part, (including any swap, hedge, derivative transaction) with a similar effect (economic or otherwise) to such restrictions set out in sub-paragraph (a) above, where such agreement, transaction or other arrangement is to be settled by delivery of the Moratorium Shares;
- (c) deposit all or any part of its effective interest, in any Moratorium Shares in any depository receipt facility; or
- (d) enter into any agreement, transaction or arrangement which is designed or which may reasonably be expected to result in any of the above,

(collectively, the “**Restrictions**”).

The Restrictions shall apply to all Shares held by leong Un and All Reach Investments Limited immediately after the Placement, being 210,659,384 Shares (after Share Consolidation) representing 66.5% of the issued share capital of our Company immediately after the Placement. Each of leong Un and All Reach Investments Limited have also undertaken to comply with the Restrictions in respect of 50.0% of the Moratorium Shares for the next six (6) month period after the First Moratorium Period.

Indirect Shareholdings and Effective Interest of the Promoters

leong Un, being the sole shareholder of All Reach Investments Limited, has given an undertaking to our Company, the Sponsor and Issue Manager that he will:

- (a) comply with the Restrictions which shall *mutatis mutandis* apply in respect of all his respective interests in the share capital of All Reach Investments Limited for a period of 12 months commencing from the date of admission of our Company to Catalist (both dates inclusive); and
- (b) procure that All Reach Investments Limited complies with the Restrictions set out in its undertaking.

Waiver from Compliance with Paragraph 1(h) Requirement (as defined below)

Under Paragraph 1(h) of Part III of Appendix 4B of the Catalist Rules, the Sponsor and Issue Manager is required to provide certain details in respect of the Moratorium Shares to the SGX-ST, including, amongst other things, the Share certificate number, the number of Shares represented, and the endorsement on the Share certificate (“**Paragraph 1(h) Requirement**”).

SHAREHOLDERS

The Sponsor and Issue Manager has sought from the SGX-ST a waiver from compliance with the abovementioned Paragraph 1(h) Requirement, on the basis that:

- (a) leong Un and All Reach Investments Limited have each given the requisite moratorium undertakings in respect of the Moratorium Shares to the Sponsor and Issue Manager, in compliance with Rule 420 of the Catalist Rules, to ensure that the moratorium provisions are fully observed and aligning the Promoters' interest with our public shareholders.
- (b) Our Shares have been listed publicly traded on the HKSE since 2010, and therefore, the value of the Moratorium Shares has been established by the market through trading over the past years. Unlike the shares of the promoters of a private company that is not already public-listed, leong Un's shareholdings have been "market priced" for more than a decade. Accordingly, the concern that a promoter might realise substantial gains upon listing does not arise in our case. Conversely, the Placement Price will be at a discount to the prevailing market value on the HKSE.
- (c) leong Un's Shares are already listed on the Main Board of the HKSE and partly held under the client accounts of Julius Baer (Hong Kong) ("**JB HK**") and Bank of China Macau ("**BOCM**"), which are deposited into the CCASS of the HKSE. Companies listed in Singapore that seek a dual primary listing in Hong Kong are similarly not required to provide similar physical endorsement and confirmation under the HKSE Listing Rules.
- (d) Each of leong Un and All Reach Investments Limited will be providing a statutory declaration to comply with their respective moratorium undertakings.
- (e) Withdrawing and re-depositing the Promoters' Shares which are fully issued and partly held through established client custody accounts with leong Un's private banks, from Hong Kong to Singapore, would incur significant administrative cost given that a fee would be incurred and charged by CCASS and the brokers, and would involve significant processing time. This would delay the Listing process.
- (f) The withdrawal of Shares from private bank custody accounts could disrupt leong Un's existing established banking relationship with the private banks, and require additional compliance and documentation at the private bank level.
- (g) As our Company will be dual primary listed on the Main Board of the HKSE and the Catalist board of the SGX-ST, Shares may be held either with our Singapore Branch Share Registrar and Transfer Agent or through the CCASS in Hong Kong (subject to the requirement that at least 15% of our Shares held by the public be deposited with CDP at the time of Listing).

The SGX-ST has indicated it has no objections to granting the abovementioned waiver from compliance with the Paragraph 1(h) Requirement, taking into consideration the following:

- (a) It is disclosed in this Offer Document that 100% of the Promoters' Shares (being the Moratorium Shares) will be moratorised for the First Moratorium Period of 6 months, and 50% of the Promoters' Shares will be moratorised for the subsequent 6 months (the "**Moratorium Undertakings**"). This is disclosed in the section entitled "Shareholders – Moratorium" of this Offer Document.
- (b) leong Un and All Reach Investments Limited will each provide a statutory declaration to comply with the Moratorium Undertakings.

SHAREHOLDERS

- (c) The Promoters' Shares (being the Moratorium Shares) are already listed on the HKSE and partly held under the client accounts of JB HK and BOCM which are deposited into the CCASS of the HKSE, and JB HK and BOCM do not possess the authority to dispose the Moratorium Shares.
- (d) Withdrawing and re-depositing Shares from Hong Kong to Singapore would incur significant administrative cost and involves significant processing time. Any withdrawal would disrupt leong Un's existing banking relationship with the private banks.

Each of leong Un and All Reach Investments Limited has provided a statutory declaration to comply with the Moratorium Undertakings.

CAPITALISATION AND INDEBTEDNESS

The information in this table should be read in conjunction with the sections entitled “Use of Proceeds and Listing Expenses” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document and our financial statements and the notes thereto set out in Appendix A and B of this Offer Document.

The table below sets forth the cash and cash equivalents as well as the capitalisation and indebtedness of our Group as at 31 July 2025 which has been prepared:

- based on our unaudited consolidated management accounts of our Group as at 31 July 2025; and
- as adjusted for the net proceeds from the issue of the New Shares pursuant to the Placement, and the application of the net proceeds from the issue of the New Shares in the manner described in the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document.

(HK\$’000)	As at 31 July 2025	Adjusted for the net proceeds from the issue of the New Shares
Cash and cash equivalents	226,831	294,612
Current indebtedness		
Secured and guaranteed	–	–
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	3,125	3,125
Non-current indebtedness		
Secured and guaranteed	–	–
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	4,891	4,891
Total indebtedness	8,016	8,016
Total shareholders’ equity	617,815	685,596
Total capitalisation and indebtedness	625,831	693,612

As at the Latest Practicable Date, there were no material changes to our total capitalisation and indebtedness as disclosed above, save for scheduled repayments of lease liabilities, changes in our working capital and reserves arising from our day-to-day operations in the ordinary course of business.

CAPITALISATION AND INDEBTEDNESS

Credit facilities

As at 31 March 2025, we have the following credit facilities:

Borrower	Financial institution	Type of facility	Secured/ unsecured	Facility amount (HK\$'000)	Interest rates per annum	Maturity profile
Infinity Development Holdings Company Limited	Bank of China ("BOC")	Revolving loan	Unsecured	30,000	1.5% per annum over Hong Kong Interbank Offered Rate ("HIBOR")	12 months from the date of drawdown
lao Son Hong Paint Company	The Bank of East Asia, Limited, Macau Branch ("BEA")	<ol style="list-style-type: none"> 1. Letter of credit, trust receipt and invoice financing loan 2. Revolving term loan 3. Overdraft 	Secured	<ol style="list-style-type: none"> 1. 10,000 2. 10,000 3. 5,000 	<ol style="list-style-type: none"> 1. For letter of credit, commission payable at the rates of: (a) ¼% of the letter of credit amount for the first HK\$400,000 or its equivalent; and (b) 1/32% of the letter of credit amount for the remaining balance. For trust receipt, BEA HK\$/US\$ prime rate. For invoice financing loan, BEA HK\$/US\$ prime rate. 2. 1 or 3 months HIBOR (depending on whether the loan tenor is 1 or 3 months, respectively), in addition to 3.5% per annum 3. BEA HK\$ prime rate 	Subject to annual review on 14 March 2026

CAPITALISATION AND INDEBTEDNESS

Borrower	Financial institution	Type of facility	Secured/ unsecured	Facility amount (HK\$'000)	Interest rates per annum	Maturity profile
lao Son Hong Paint Company	The Hongkong and Shanghai Banking Corporation Limited (" HSBC ")	1. Overdraft 2. Import loan	Secured	1. 3,000 2. 7,000	1. HSBC Best Lending Rate 2. 2% per annum over HIBOR for HK\$ import loans; 2.2% per annum over Term Secured Overnight Financing Rate, on a 360-day basis, for USD import loans and clean import loans	12 months from 16 January 2025, with automatic extensions of 12 months each, unless otherwise notified by HSBC
lao Son Hong Paint Company	Banco Delta Asia S.A. (" Banco Delta ") ⁽¹⁾	Term loan	Secured	30,000	1.125% below the bank's HK\$ prime rate, or 1% over HIBOR, whichever is higher	3 years from the date of drawdown
lao Son Hong Paint Company	DBS Bank (Hong Kong) Limited (" DBS ") ⁽²⁾	1. Overdraft 2. Term loan 3. Letters of credit, trust receipts, account payable financing and negotiation of export bills under letter of credit with discrepancies	Secured	1. 2,000 2. 30,000 3. 5,000	1. The bank's prime rate 2. The bank's prime rate minus 0.9% per annum 3. On trust receipts and negotiation of export bills under letter of credit with discrepancies: (a) The bank's standard bills rate minus 1.5% per annum for HK\$ bills; or (b) The bank's standard bills rate for US\$ bills	Subject to review from time to time

Notes:

(1) As of 31 March 2025, we had utilised the facility provided by Banco Delta for a term loan. The amount of HK\$10 million was outstanding as of 31 March 2025. We have fully repaid the loan and no amount remains outstanding as at the Latest Practicable Date.

(2) As of 31 March 2025, we had utilised the facility provided by DBS for a term loan. The amount of HK\$21 million was outstanding as of 31 March 2025. We have fully repaid the loan and no amount remains outstanding as at the Latest Practicable Date.

CAPITALISATION AND INDEBTEDNESS

As at the Latest Practicable Date, we have a total of five (5) facilities, none of which are currently utilised for bank borrowings. Our borrowings from Banco Delta and DBS have been fully repaid as at the Latest Practicable Date.

Under the banking facilities provided to us by BOC, we have undertaken, amongst other things: (i) not to merge, or consolidate with or into any other corporation or take any step with a view to dissolution, liquidation or winding up; (ii) not to make any material change to the nature of our business as presently carried on; (iii) not to make any change(s) to our Memorandum and Articles of Association unless BOC expressly agrees in writing (“**Amendment to M&A Condition**”); (iv) that we shall maintain our listing status on the Main Board of HKSE and our shares shall not be suspended from trading for more than 14 consecutive trading days; (v) Mr. leong shall remain as our largest shareholder; (vi) the tangible net worth of our Company shall not be less than HK\$200 million; (vii) our total borrowings to earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) shall not exceed 3 times; (viii) our EBITDA to interest expenses shall be more than 5 times; (ix) payment of dividends or any other similar distribution shall be processed through BOC (“**Distribution Processing Requirement**”); and (x) the proceeds of the facilities should not be used for investment in Hong Kong real estate. This loan facility provided by BOC is not currently utilised and we do not anticipate requiring to utilise the same in the foreseeable future. In the unlikely event we intend to utilise the BOC facilities, we will seek BOC’s prior written consent for the Amendment to M&A Condition for our Amended M&A, which we envisage will not be withheld by BOC. We have fulfilled the Distribution Processing Requirements for our dividends and distribution during the term of the banking facilities provided to us by BOC and intend to continue to do so.

Under the banking facilities provided by BEA, lao Son Hong Paint Company is obliged to notify the Bank within 10 business days of any change in its shareholding or ownership control, and lao Son Hong Paint Company undertakes not to change its shareholding structure during the term of the facilities without the prior consent from BEA. Our Company, as corporate guarantor, is required to maintain our listing status on the HKSE for the duration of these facilities provided by BEA.

Under the facilities provided by HSBC, lao Son Hong Paint Company has undertaken to consult with HSBC Macau Branch before any change in its shareholding or in the shareholding of Zhong Bu Vietnam. Our Company, which has provided a corporate guarantee in favour of HSBC, is required to maintain the following: (i) tangible net worth of not less than HK\$200 million; (ii) external gearing of 0.8 or lower; (iii) our listing status on HKSE; and (iv) earnings before interest, taxes, depreciation and amortisation (EBITDA) to interest expenses shall not be less than 1.

Under the term loan facility with Banco Delta, one of the conditions of the term loan facility is that Mr. leong shall remain the largest shareholder of our Company (which has provided a corporate guarantee in favour of Banco Delta). Other conditions include the following: (i) our Company is required to maintain listing status on the HKSE and our shares shall not be suspended from trading for more than 14 consecutive trading days; (ii) our Company’s gearing ratio shall not exceed 1; and (iii) the total tangible net worth of our Company shall not be less than HK\$200 million.

Under the facilities provided by DBS, lao Son Hong Paint Company has undertaken, amongst other things: (i) not to substantially alter the nature of its business or amend any provision in its constitutional documents relating to its principal business activities or its power to borrow, secure or guarantee and to supply DBS with certified true copies of any updated constitutional documents; (ii) to ensure that there will be no change in its management, and to procure that our Company ensure no change in our management, without the prior written consent of DBS; and (iii) not to undertake or agree to undertake any re-organisation, amalgamation, reconstruction,

CAPITALISATION AND INDEBTEDNESS

merger, takeover or any other schemes of compromise or arrangement affecting its present constitution without the prior written consent of DBS.

Save as disclosed above, none of the above facilities contain covenants that include, among others, restrictions on changes of control in shareholding of our Company or the constitutive documents of our Company that restrict our ability to borrow.

Save as disclosed above, there are no material terms and conditions in our credit facilities which impose restrictions on payment of dividends and/or tied to our Directors and/or make references to specific shareholding interest of any Controlling Shareholder.

To the best of our Directors' knowledge, we are not in breach of any terms and conditions or covenants associated with any credit facilities or financial arrangements which could materially affect our Group's financial position and results, business operations, or the investments of our Shareholders.

MARKET PRICE INFORMATION

The following table sets out certain historical pricing and trading volume information of our Shares on the HKSE. No inference should or can be made from any of the information below as to the actual price or movement of our Shares for any other periods.

Our Shares are currently listed on the HKSE. The following table sets out certain pricing and trading volume information for our Shares on the HKSE for FY2022, FY2023, FY2024 and each of the last six (6) months prior to the Latest Practicable Date. No inference should or can be made from any of the information below as to our actual share price performance or movement of our Shares. There can be no assurance that the market price of our Shares following the close of the Placement will attain a price which is higher or lower than the range of prices set forth below or any price.

The historical share prices below reflect the trading price of the Shares prior to the Share Consolidation, which was effected on 20 October 2025.

Period	High (HK\$) ⁽¹⁾⁽⁴⁾	Low (HK\$) ⁽¹⁾⁽⁴⁾	Average Daily Trading Volume (Number of Shares) ⁽²⁾⁽⁴⁾
FY2022	0.71	0.64	28,585
FY2023	0.77	0.63	25,085
FY2024	0.77	0.58	56,114
March 2025	0.97	0.92	64,571
April 2025	0.97	0.75	122,947
May 2025	1.07	0.90	950,600
June 2025	1.07	0.96	782,286
July 2025	1.08	0.98	500,909
August 2025	1.23	1.02	574,476
1 September 2025 to Latest Practicable Date	1.25	1.18	311,077

Notes:

- (1) Based on daily closing prices.
- (2) The average daily trading volume is computed based on the total volume of shares traded on HKSE during the relevant periods, divided by the number of days when the HKSE was open for trading (excluding days with full day trading halts)
- (3) Information pertaining to FY2022, FY2023, FY2024 are taken from 1 October 2021 to 30 September 2022, 1 October 2022 to 30 September 2023 and 1 October 2023 to 30 September 2024, respectively.
- (4) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from its database and is therefore not liable for such information. While our Company and the Sponsor and Issue Manager have taken reasonable actions to ensure the information from Bloomberg L.P.'s database has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Offer Document, neither our Company, our Directors, the Sponsor and Issue Manager nor any other party has conducted an independent review of the information contained in that database or verified the accuracy of the contents of the relevant information.

MARKET PRICE INFORMATION

The following table sets out the highest and lowest market prices of our Shares on the HKSE for each financial quarter of the two (2) most recently completed financial years and subsequent quarters before the date of lodgement of this Offer Document.

Period	High (HK\$) ⁽¹⁾⁽²⁾	Low (HK\$) ⁽¹⁾⁽²⁾
Quarter ended 31 December 2022	0.73	0.64
Quarter ended 31 March 2023	0.77	0.70
Quarter ended 30 June 2023	0.73	0.67
Quarter ended 30 September 2023	0.77	0.63
Quarter ended 31 December 2023	0.68	0.58
Quarter ended 31 March 2024	0.73	0.64
Quarter ended 30 June 2024	0.76	0.70
Quarter ended 30 September 2024	0.77	0.69
Quarter ended 31 December 2024	1.00	0.75
Quarter ended 31 March 2025	1.00	0.90
Quarter ended 30 June 2025	1.07	0.75

Notes:

- (1) The high and low amounts were based on the highest and lowest closing prices, respectively, for our Shares for the particular period.
- (2) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from its database and is therefore not liable for such information. While our Company and the Sponsor and Issue Manager have taken reasonable actions to ensure the information from Bloomberg L.P.'s database has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Offer Document, neither our Company, our Directors, the Sponsor and Issue Manager nor any other party has conducted an independent review of the information contained in that database or verified the accuracy of the contents of the relevant information.

The closing price of our Shares on the HKSE as at the Latest Practicable Date was HK\$1.21. The closing price of our Shares on the HKSE as at the date of the last trading day before the date of registration of this Offer Document, was HK\$2.54.

There has been no significant trading suspension that has occurred on the HKSE during the last three (3) years immediately preceding the Latest Practicable Date. Our Shares are regularly traded on the HKSE.

DILUTION

Dilution is the amount by which the Placement Price paid by subscribers of our Placement Shares (“**New Investors**”) exceeds our NAV per Share immediately after the Placement. Our unaudited NAV per Share as at 31 March 2025 before adjusting for the estimated net proceeds from the issue of New Shares and based on the pre-Placement issued share capital of 281,675,538⁽³⁾ Shares, was 36.2⁽³⁾ cents.

Based on the issue of 35,100,000 New Shares at the Placement Price, our NAV per Share after adjusting for the estimated net proceeds from the issue of New Shares; and based on the post-Placement issued share capital of 316,775,538 Shares, would be 35.7 cents. This represents an immediate decrease in the NAV per Share of 0.5 cents to our existing Shareholders and an immediate decrease in the NAV per Share of 3.3 cents or 8.5% to our New Investors.

The following table illustrate the dilution on a per Share basis:

	Cents
Placement Price	39.0
Unaudited NAV per Share as at 31 March 2025 based on the pre-Placement issued share capital of 281,675,538 ⁽³⁾ Shares	36.2 ⁽³⁾
(Decrease) in NAV per Share to existing Shareholders	0.5
NAV per Share after adjusting for the issue of the New Shares based on the post-Placement issued share capital of 316,775,538 Shares ⁽¹⁾	35.7
(Decrease) in NAV per Share to New Investors	3.3
(Decrease) in NAV per Share to New Investors as a percentage of the Placement Price	8.5%

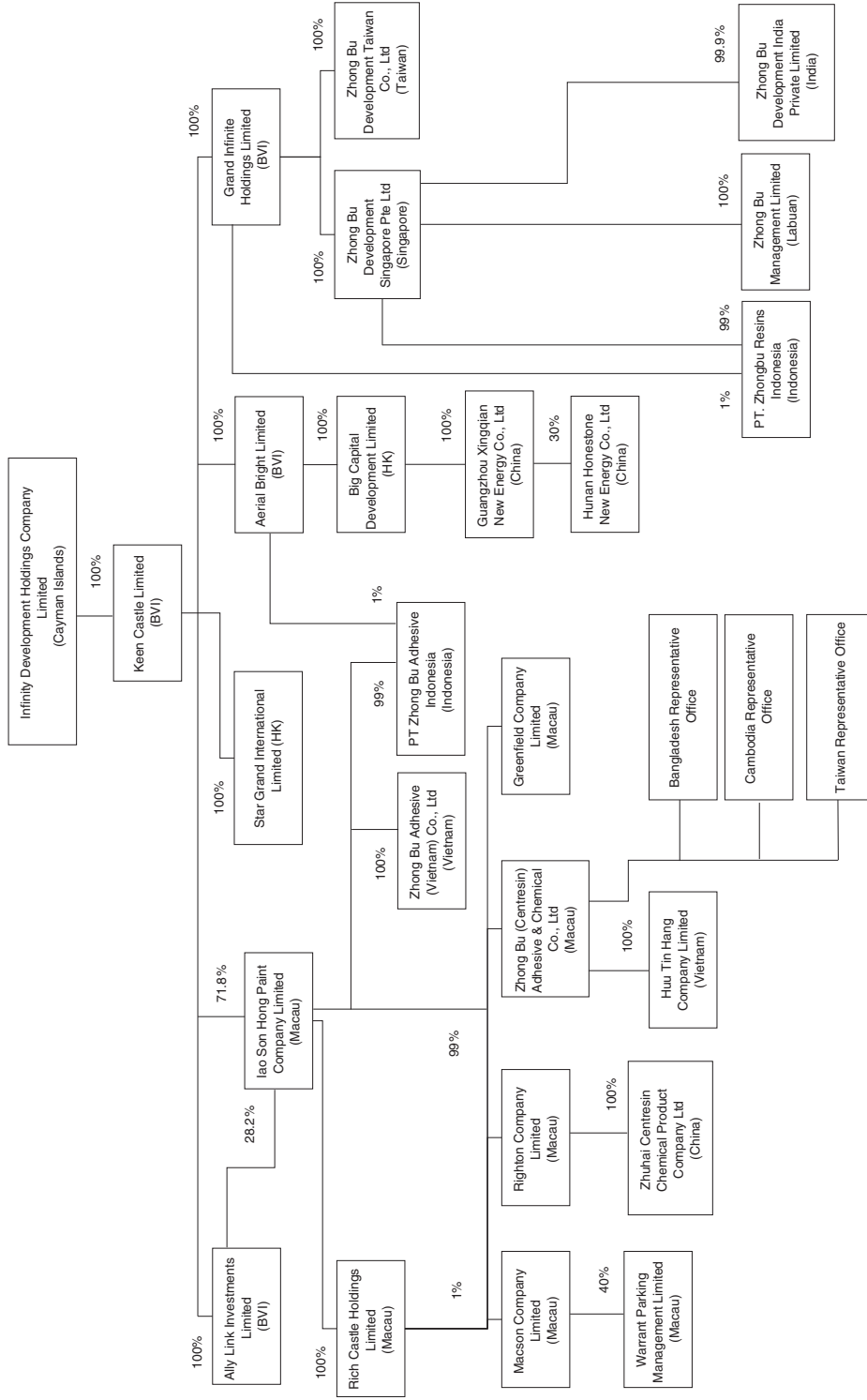
Notes:

- (1) This does not take into account our actual financial performance after 31 March 2025. Depending on our actual financial results, our NAV per Share may be higher or lower than the above computed NAV per Share.
- (2) Assuming the exchange rate of HKD: SGD is at 5.79: 1.00.
- (3) Share Consolidation has taken place on 20 October 2025.

None of our Directors, Substantial Shareholders and their respective Associates had, during the period of three (3) years prior to the date of lodgement of this Offer Document, acquired any Shares or any right to acquire any Shares.

GROUP STRUCTURE

The following diagram summarises our Group structure, including our associated companies, as at the Latest Practicable Date.



GROUP STRUCTURE

OUR MAJOR SUBSIDIARIES

The table below sets forth details of our subsidiaries as at the date of this Offer Document, the absolute amount of the net assets, net liabilities or profit or loss before tax of which accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of our Group for any of the 3 most recently completed financial years:

No.	Company name	Date of incorporation	Country of incorporation and principal place of business	Principal activities	Effective equity interest
1.	Iao Son Hong Paint Company Limited	20 July 1990	Macau	Provision of administrative support to our Group and sale of adhesive products	100%
2.	Zhong Bu Adhesive (Vietnam) Co., Ltd	27 January 2005	Vietnam	Processing of adhesive products	100%
3.	PT Zhong Bu Adhesive Indonesia	25 October 2010	Indonesia	Processing and sale of adhesive products	100%
4.	Zhuhai Centresin Chemical Product Company Ltd	29 July 1999	China	Manufacture and sale of adhesive products	100%
5.	Zhong Bu Development Singapore Pte. Ltd.	9 December 2019	Singapore	Investment holding and provision of administrative support to our Group	100%
6.	PT Zhongbu Resins Indonesia	30 December 2021	Indonesia	Manufacture and sale of adhesive products (manufacturing plant under construction)	100%

SUMMARY OF OUR FINANCIAL INFORMATION

The following selected financial information should be read in conjunction with the full text of this Offer Document, including the “Independent Auditor’s Report and the Audited Consolidated Financial Statements for the Financial Years ended 30 September 2022, 2023 and 2024” and “Independent Auditor’s Review Report and the Unaudited Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 31 March 2025” as set out in Appendix A and B of this Offer Document respectively.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(HK\$'000)	Audited FY2022	Audited FY2023	Audited FY2024	Unaudited 6M2024	Unaudited 6M2025
Revenue	862,101	671,750	736,338	332,498	409,306
Cost of goods sold	(638,921)	(462,644)	(458,898)	(207,580)	(255,912)
Gross profit	223,180	209,106	277,440	124,918	153,394
Other income	4,529	8,568	12,758	6,087	5,331
Gain on disposal of assets classified as held for sale	32,692	840	–	–	–
Changes in fair value of investment properties	(600)	–	(800)	–	–
Other gains and losses, net	2,817	(109)	(4,777)	896	5,881
(Allowances)/reversal of allowances for trade, bills and other receivables, net	(7,970)	1,756	(5,000)	(5,000)	(3,000)
Selling and distribution costs	(51,831)	(51,521)	(52,282)	(22,622)	(25,274)
Administrative expenses	(92,546)	(87,143)	(103,667)	(53,005)	(65,548)
Profit from operations	110,271	81,497	123,672	51,274	70,784
Finance costs	(825)	(2,908)	(2,587)	(1,357)	(934)
Share of profits/(losses) of associates	1,384	2,459	731	752	(150)
Profit before tax	110,830	81,048	121,816⁽¹⁾	50,669	69,700⁽²⁾
Income tax expense	(9,480)	(13,994)	(21,405)	(9,678)	(13,091)

SUMMARY OF OUR FINANCIAL INFORMATION

(HK\$'000, unless otherwise stated)	Audited FY2022	Audited FY2023	Audited FY2024	Unaudited 6M2024	Unaudited 6M2025
Profit for the year/period attributable to owners of the Company	101,350	67,054	100,411 ⁽¹⁾	40,991	56,609 ⁽²⁾
Other comprehensive (loss)/income:					
Item that will not be reclassified to profit or loss					
– Fair value changes of equity instruments at fair value through other comprehensive income (“FVTOCI”)	(1,199)	291	698	97	279
<i>Items that may be reclassified to profit or loss</i>					
– Fair value changes of debt instruments at FVTOCI	(651)	563	–	–	–
– Reclassification adjustment for amount transferred to profit or loss upon disposal of debt instruments at FVTOCI	–	–	83	83	–
– Exchange differences on translating foreign operations	(14,283)	(4,025)	12,329	123	(18,863)
	(14,934)	(3,462)	12,412	206	(18,863)
Other comprehensive (loss)/income for the year/period, net of tax	(16,133)	(3,171)	13,110	303	(18,584)
Total comprehensive income attributable to owners of the Company	85,217	63,883	113,521 ⁽¹⁾	41,294	38,025 ⁽²⁾
Pre-Placement EPS (HK cents) ⁽³⁾	36.0 ⁽³⁾	23.8 ⁽³⁾	35.6 ⁽³⁾	14.6 ⁽³⁾	20.1 ⁽³⁾
Post-Placement EPS (HK cents) ⁽⁴⁾	32.0	21.2	31.7	12.9	17.9

Notes:

- (1) Excluding the one-off listing expenses amounting to HK\$2.8 million in FY2024, our Group's profit before tax, profit for the financial year and comprehensive income attributable to equity holders of the Company for FY2024 would have been HK\$124.6 million, HK\$103.2 million and HK\$116.3 million respectively.
- (2) Excluding the one-off listing expenses amounting to HK\$3.0 million in 6M2025, our Group's profit before tax, profit for the financial period and comprehensive income attributable to equity holders of the Company for 6M2025 would have been HK\$72.7 million, HK\$59.6 million and HK\$41.0 million respectively.
- (3) For comparative purposes, EPS for the Period Under Review have been computed based on the profit attributable to equity holders of the Company and our pre-Placement share capital of 281,675,538 Shares. (Share Consolidation has taken place on 20 October 2025.)
- (4) For comparative purposes, EPS for the Period Under Review have been computed based on the profit attributable to equity holders of the Company and our post-Placement issued share capital of 316,775,538 Shares.

SUMMARY OF OUR FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(HK\$'000)	Audited As at 30-Sep-22	Audited As at 30-Sep-23	Audited As at 30-Sep-24	Unaudited As at 31-Mar-2025
ASSETS				
Non-current assets				
Investment properties	3,800	3,800	3,000	3,000
Property, plant, and equipment	82,575	73,889	84,300	79,563
Right-of-use assets	14,181	37,872	39,421	40,841
Intangible assets	1,790	6,262	5,632	5,246
Investments in associates	6,126	8,540	9,271	9,121
Club debentures	1,080	1,080	1,080	1,080
Financial assets at FVTOCI	3,693	4,547	2,777	3,056
Prepayment for acquisition of right-of-use assets	25,519	–	–	–
Deposits for acquisition of property, plant and equipment	614	8,811	30,876	55,600
Total non-current assets	139,378	144,801	176,357	197,507
Current assets				
Inventories	128,239	49,853	71,459	74,942
Trade, bills and other receivables	278,684	178,098	218,323	204,191
Debt instruments at amortised cost	–	7,102	10,023	13,360
Restricted bank deposits	16,083	18,749	21,382	21,461
Bank and cash balances	135,238	346,392	321,885	321,728
Total current assets	558,244	600,194	643,072	635,682
Total assets	697,622	744,995	819,429	833,189

SUMMARY OF OUR FINANCIAL INFORMATION

(HK\$'000, unless otherwise stated)	Audited As at 30-Sep-22	Audited As at 30-Sep-23	Audited As at 30-Sep-24	Unaudited As at 31-Mar-2025
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	139,344	108,185	152,023	157,324
Lease liabilities	3,256	2,947	1,739	2,867
Bank loans	30,000	85,000	39,000	31,000
Income tax payable	28,615	28,071	32,370	37,408
Total current liabilities	201,215	224,203	225,132	228,599
Net current assets	357,029	375,991	417,940	407,083
Total assets less current liabilities	496,407	520,792	594,297	604,590
Non-current liabilities				
Lease liabilities	3,395	1,311	2,732	5,110
Deferred tax liabilities	5,731	6,061	8,002	8,313
Total non-current liabilities	9,126	7,372	10,734	13,423
Total liabilities	210,341	231,575	235,866	242,022
Net assets	487,281	513,420	583,563	591,167
Capital and reserves				
Share capital	5,634	5,634	5,634	5,634
Share premium	123,757	123,757	123,757	123,757
Retained earnings	385,690	415,000	472,033	498,221
Other reserves	(27,800)	(30,971)	(17,861)	(36,445)
Total equity	487,281	513,420	583,563	591,167
NAV per Share (HK cents) ⁽¹⁾	173.0 ⁽¹⁾	182.3 ⁽¹⁾	207.2 ⁽¹⁾	209.9 ⁽¹⁾

Note:

(1) For comparative purposes, the NAV per Share for the Period Under Review have been computed based on our pre-Placement share capital of 281,675,538 Shares. Share Consolidation has taken place on 20 October 2025.

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

The following discussion of our results of operations and financial position has been prepared by our management and should be read in conjunction with the "Independent Auditor's Report and the Audited Consolidated Financial Statements for the Financial Years ended 30 September 2022, 2023 and 2024" and "Independent Auditor's Review Report and the Unaudited Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 31 March 2025" as set out in Appendix A and B of this Offer Document respectively.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the "Risk Factors" section of this Offer Document. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Sponsor and Issue Manager or the Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the "Cautionary Note Regarding Forward-Looking Statements" section of this Offer Document.

References to "we", "us", "our", "ourselves" or other grammatical variations thereof in this section refer to our Company and our Subsidiaries only, as we do not consolidate and only equity account for the results of our associated companies.

OVERVIEW

Our Group is principally engaged in the manufacture and sale of adhesives, primers, hardeners and other adhesive related products, mainly used by the footwear manufacturers. Our Group is ranked top four among manufacturers of footwear adhesives whose presence is focused on Asia, as surveyed by Converging Knowledge Pte Ltd. We have our own brand of adhesive products under the brands "Zhong Bu" and "Centresin", which we manufacture and/or sell mainly in Vietnam, Indonesia, Bangladesh and PRC.

Revenue

Our revenue is mainly derived from the manufacture and sale of adhesives, primers, hardeners and other adhesives related products. The revenue from sale of goods is recognised when control of the goods has been transferred, being when the goods have been shipped to the customers' specific location (delivery). No sale is made on consignment basis.

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

Our revenue amounted to HK\$862.1 million, HK\$671.8 million, HK\$736.3 million, HK\$332.5 million and HK\$409.3 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively. Our Group has only one operating and reportable segment, and the breakdown of our revenue by geographical location is as below:

	FY2022		FY2023		FY2024		6M2024		6M2025	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Vietnam	545,749	63.3	433,286	64.5	453,938	61.6	202,594	60.9	235,347	57.5
Indonesia	92,670	10.8	82,309	12.2	90,492	12.3	42,540	12.8	65,204	16.0
Bangladesh	99,366	11.5	63,624	9.5	88,193	12.0	37,353	11.2	54,239	13.2
PRC	124,316	14.4	92,531	13.8	99,897	13.6	50,011	15.1	50,837	12.4
India	–	–	–	–	3,818	0.5	–	–	3,679	0.9
Total	862,101	100.0	671,750	100.0	736,338	100.0	332,498	100.0	409,306	100.0

As seen in the table above, sales to Vietnam contributed the majority of the revenue during the Period Under Review, from approximately 57.5% to 64.5% of revenue. This is consistent with the Industry Report, which indicated under the section entitled “Overview of the Adhesive Industry in Asia – Relevant Key Statistics” that Vietnam is the top footwear export country, followed by Indonesia and the PRC. We have also started sales to India in the second half of FY2024.

The major factors that affect our revenue include:

- (a) our ability to continue expanding into countries where our customers are also growing their presence, allowing us to maintain proximity and provide prompt and high-quality customer service;
- (b) our ability to support our existing customers to manage elevated import tariffs imposed by the United States on a wide range of goods manufactured in several Southeast Asian countries (including footwear), including Vietnam and Indonesia, and the PRC. This may result in pricing pressures on our products as stated under the section entitled “Trend Information”;
- (c) the demand for our products by our customers, which are driven by factors beyond our control, including production schedules, stocking and destocking cycles of footwear manufacturers, which are in turn affected by inventory procurement strategies and order timing of global brands;
- (d) our ability to retain customers and secure new customers;
- (e) our ability to continue meeting the stringent requirement from manufacturers for the quality of adhesives;
- (f) our ability to continue providing prompt technical support to provide quality service, and products at prices acceptable to our customer, and maintain our competitiveness;
- (g) our research and development capabilities to develop and expand our product offerings to align with emerging trends in the footwear industry; and
- (h) the economic environments which affect the demand for our products.

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

Please refer to the sections entitled "Risk Factors" and "General Information on our Group – Trend Information" of this Offer Document for further information on other factors that may affect our revenue.

Cost of Goods Sold

Our cost of goods sold amounted to approximately HK\$638.9 million, HK\$462.6 million, HK\$458.9 million, HK\$207.6 million and HK\$255.9 million for FY2022, FY2023, FY2023, 6M2024 and 6M2025, respectively. Our cost of goods sold was primarily attributable to cost of materials and direct overhead. A breakdown of our cost of goods sold for FY2022, FY2023, FY2024, 6M2024 and 6M2025 is as follows:

	FY2022		FY2023		FY2024		6M2024		6M2025	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Material costs	583,396	91.3	420,560	90.9	416,478	90.8	191,290	92.1	231,518	90.5
Direct Overhead	41,666	6.5	28,677	6.2	29,017	6.3	9,706	4.7	17,295	6.7
Depreciation	8,664	1.4	8,487	1.8	8,700	1.9	4,315	2.1	4,331	1.7
Direct labour	5,195	0.8	4,920	1.1	4,703	1.0	2,269	1.1	2,768	1.1
Total	638,921	100.0	462,644	100.0	458,898	100.0	207,580	100.0	255,912	100.0

Material Costs

Material costs relate to the total costs used for production of the finished products, such as direct material costs of methyl ethyl ketone, acetone, ethyl acetate, synthetic resin and polyester polyol. Material costs amounted to HK\$583.4 million, HK\$420.6 million, HK\$416.5 million, HK\$191.3 million and HK\$231.5 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively, and accounted for 91.3%, 90.9%, 90.8%, 92.1% and 90.5% of the cost of goods sold in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively.

Direct Overhead

Direct overhead mainly relates to transportation costs and customs duty, repairs and maintenance costs for plant and machinery, water and electricity and indirect expenses incurred in manufacturing process, such as indirect materials, indirect staff costs, factory supplies, insurance, royalty fees and upkeep of factory expenses. Direct overhead amounted to HK\$41.7 million, HK\$28.7 million, HK\$29.0 million, HK\$9.7 million and HK\$17.3 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively, and accounted for 6.5%, 6.2%, 6.3%, 4.7% and 6.7% of the cost of goods sold in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively.

Depreciation

Depreciation relates to the depreciation charges of plant and machinery used for the production process. Depreciation amounted to HK\$8.7 million, HK\$8.5 million, HK\$8.7 million, HK\$4.3 million and HK\$4.3 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively, and accounted for 1.4%, 1.8%, 1.9%, 2.1% and 1.7% of the cost of goods sold in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively.

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

Direct Labour

Direct labour mainly relates to the direct labour costs in our factory for our production of our products. Direct labour amounted to HK\$5.2 million, HK\$4.9 million, HK\$4.7 million, HK\$2.3 million and HK\$2.8 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively, and accounted for 0.8%, 1.1%, 1.0%, 1.1% and 1.1%, of the cost of goods sold in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively. The major factors that affect our cost of goods sold include:

- (a) fluctuations in cost of materials which are derivatives of crude oil, which in turn is mainly influenced by global supply and demand dynamics, geopolitical tensions, and decisions by major oil-producing nations;
- (b) our ability to source and purchase materials at competitive prices and at quality that meet our customers' demands and requirements;
- (c) our ability to retain existing suppliers and/or secure new suppliers who can meet our cost and quality requirements; and
- (d) increases in labour costs, which is influenced by several factors, including inflationary pressure, competition for skilled workers, and local labour market conditions in Vietnam, Indonesia and the PRC.

Gross Profit and Gross Profit margin

Our Group has only one operating and reportable segment, and the enterprise resource planning system does not segregate cost of sales data by product type nor geographical region. Our gross profit amounted to approximately HK\$223.2 million, HK\$209.1 million, HK\$277.4 million, HK\$124.9 million and HK\$153.4 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively. Our gross profit margin was 25.9%, 31.1%, 37.7%, 37.6% and 37.5% in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively.

Please refer to the sections entitled "Risk Factors" and "General Information on our Group – Trend Information" of this Offer Document for further information on other factors that may affect our cost of goods sold and gross profit.

Other income

Other income comprise mainly interests on bank deposits, income from sale of scrap materials, government grants and rental income from investment properties. Our other income amounted to approximately HK\$4.5 million, HK\$8.6 million, HK\$12.8 million, HK\$6.1 million and HK\$5.3 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively.

Other gains and losses, net

Other gains and losses comprise mainly net exchange gains or losses from the translation of foreign currency-denominated monetary assets and liabilities into HKD (i.e., the presentation currency) using the then prevailing exchange rates at the end of the financial reporting year/period. Our other gains and losses amounted to approximately gains of HK\$2.8 million, losses of HK\$0.1 million, losses of HK\$4.8 million, gains of HK\$0.9 million and gains of HK\$5.9 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively.

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

Allowances/(Reversal of) allowances for trade, bills and other receivables

Allowances/reversal of allowances for trade, bills and other receivables amounted to approximately allowances of HK\$8.0 million, reversal of allowances of HK\$1.7 million, allowances of HK\$5.0 million, HK\$5.0 million and HK\$3.0 million for FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively. These changes primarily reflected the movement in our trade, bills and other receivables. Please see note 6 to the "Independent Auditor's Report and the Audited Consolidated Financial Statements for the Financial Years ended 30 September 2022, 2023 and 2024" as set out in Appendix A of this Offer Document for details. The total amounts of allowances for trade, bills and other receivables were assessed by the independent professional valuer, mainly depending on the historical observed default rates and changes in the forward-looking estimates, at the end of each of the reporting period.

Selling and distribution costs

Selling and distribution costs comprise mainly of staff salaries, bonus and benefits, delivery and custom duties, travel and entertainment expenses and insurance. Our selling and distribution expenses amounted to approximately HK\$51.8 million, HK\$51.5 million, HK\$52.3 million, HK\$22.6 million and HK\$25.3 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively.

Administrative expenses

Administrative expenses comprise mainly staff salaries, bonus and allowances, depreciation and amortisation, legal and professional fees, including listing expenses related to the Listing of approximately HK\$2.8 million for FY2024 and HK\$3.0 million in 6M2025 respectively. Our administrative expenses amounted to approximately HK\$92.5 million, HK\$87.1 million, HK\$103.7 million, HK\$53.0 million and HK\$65.5 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively.

Finance costs

Finance costs comprise mainly interest expense on bank loans. Our finance costs amounted to approximately HK\$0.8 million, HK\$2.9 million, HK\$2.6 million, HK\$1.4 million and HK\$0.9 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively.

Share of profits/(losses) of associates

Shares of profits/(losses) of associates relates to the portion of (losses)/profits from our associates, namely Warrant Parking and Hunan Honestone in accordance with our shareholding percentage (being 40.0% and 30.0% respectively). The other shareholders of Warrant Parking and Hunan Honestone are independent third parties, and none of the Company's Directors, Executive Officers, Controlling Shareholders and/or their associates have any interest in the other corporate shareholders. Our Group is not involved in the business operations of Warrant Parking and Hunan Honestone and these associates are not consolidated in our Group's financial statements as our Group does not have control over these entities. We have equity accounted for our share of the performance of these associates. The shares of profits/(losses) of associates amounted to profit of HK\$1.4 million, profit of HK\$2.5 million, profit of HK\$0.7 million, profit of HK\$0.8 million and loss of HK\$0.2 million for FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively.

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

Income tax expense

Our income tax expense amounted to approximately HK\$9.5 million, HK\$14.0 million, HK\$21.4 million, HK\$9.7 million and HK\$13.1 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively. Our Company and our subsidiaries are subject to income tax at the applicable rates in accordance with the relevant laws and regulations in the respective jurisdictions, except for Zhuhai Centresin, which is recognised as a High and New Technology Enterprise by the relevant PRC government authorities and therefore entitled to a concessionary PRC enterprise income tax rate of 15% as compared to the normal rate of 25%.

Other comprehensive income/(loss)

Our comprehensive income/(loss) amounted to approximately loss of HK\$16.1 million, loss of HK\$3.2 million, profit of HK\$13.1 million, profit of HK0.3 million and loss of HK\$18.6 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025, respectively. The fluctuations were due to fair value changes of equity and debt instruments, and exchange differences on translating of foreign operations.

SEASONALITY

Generally, our business is not seasonal in nature though our customers may increase their stocks prior to holiday season or in response to scheduling for long holidays such as Chinese New Year.

INFLATION

During the Period Under Review, inflation did not have a material impact on our financial performance.

REVIEW OF RESULTS OF OPERATIONS

FY2022 vs FY2023

Revenue

Revenue decreased by approximately HK\$190.3 million or 22.1%, from HK\$862.1 million in FY2022 to HK\$671.8 million in FY2023, mainly due to an overall decrease across all product groups and geographical regions. The decrease in revenue was mainly due to the unexpected destocking and conservative inventory management approach adopted by the global footwear manufacturers as demand conditions were volatile due to transitioning out from Covid-19 pandemic.

Cost of goods sold

Cost of goods sold decreased by approximately HK\$176.3 million or 27.6%, from HK\$638.9 million in FY2022 to HK\$462.6 million in FY2023, mainly due to a decrease in material costs and in line with decrease in revenue. The higher material costs in 2022 were driven by economic and logistical aftershocks from the Covid-19 pandemic which lasted into 2022 which severely disrupted global supply chain, resulting in abnormal and higher costs of material. In FY2023, the costs of material normalised and coupled with proactive cost control measures (which included prudent expense management and monitoring (mainly freight, carriage and related charges), and decrease in revenue, the cost of goods sold decreased in FY2023.

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

Gross profit and Gross profit margin

Gross profit decreased by approximately HK\$14.1 million or 6.3%, from HK\$223.2 million in FY2022 to HK\$209.1 million in FY2023, in line with the decrease in revenue from FY2022 to FY2023 as mentioned above. However, our gross profit margin has improved from approximately 25.9% in FY2022 to 31.1% in FY2023, mainly driven by the decrease in cost of materials and proactive cost control measures as mentioned above, which helped reduce cost at a greater rate than the decrease in revenue.

Other income

Other income increased by approximately HK\$4.0 million or 89.2%, from HK\$4.5 million in FY2022 to HK\$8.6 million in FY2023 mainly due to higher interest income on bank deposits. The increase in interest income was attributable to an increase in bank deposits interest rates from 0.10% per annum for FY2022 to approximately 3.00% to 5.09% per annum for FY2023.

Gain on disposal of assets classified as held for sale

Gain on disposal of assets classified as held for sale decreased by approximately HK\$31.9 million or 97.4%, from HK\$32.7 million in FY2022 to HK\$0.8 million in FY2023 mainly due to one-off non-recurring gain in FY2022 relating to a total of 14 commercial units located in Macau disposed in December 2021.

Other gains and losses, net

Other gains and losses decreased by approximately HK\$2.9 million or 103.9%, from gain of HK\$2.8 million in FY2022 to loss of HK\$0.1 million in FY2023 mainly due to net exchange gains in FY2022 to net exchange losses in FY2023 as a result of the general appreciation of USD in FY2022.

Allowances/Reversal of allowances for trade, bills and other receivables

Allowances/reversal of allowances for trade, bills and other receivables amounted to allowances of approximately HK\$8.0 million in FY2022 to reversal of allowances of HK\$1.8 million in FY2023, mainly due to reversal of loss made for other receivables. The total amounts of allowances for trade, bills and other receivables were assessed by the independent professional valuer for FY2022 and FY2023, mainly depending on the historical observed default rates and changes in the forward-looking estimates at the end of each of the reporting period.

Selling and distribution expenses

Selling and distribution expenses remained relatively stable at approximately HK\$51.8 million in FY2022 and HK\$51.5 million in FY2023. Nonetheless, as a percentage of revenue, selling and distribution expenses increased from approximately 6.0% of revenue for FY2022 to 7.7% of revenue for FY2023, driven by the increase in sales staff salaries, bonus and benefits as we increased the salaries to retain sales staff.

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

Administrative expenses

Administrative expenses decreased by approximately HK\$5.4 million or 5.8%, from HK\$92.5 million in FY2022 to HK\$87.1 million in FY2023 mainly due to a decrease in employee benefit expenses, including decrease in bonus.

Finance costs

Finance costs increased by approximately HK\$2.1 million or 252.5%, from HK\$0.8 million in FY2022 to HK\$2.9 million in FY2023 mainly due to the increase in interest on bank loans. The increase was driven by an increase in bank loans from HK\$30.0 million as at 30 September 2022 to HK\$85.0 million as at 30 September 2023 and a higher average interest rate of the bank loans from approximately 3.62% per annum in FY2022 to 5.84% per annum in FY2023. The increase in bank loans was mainly due to short-term bank loans procured for temporary general working purposes.

Shares of profits/(losses) of associates

Shares of profits/(losses) of associates increased by approximately HK\$1.1 million or 77.7%, from HK\$1.4 million in FY2022 to HK\$2.5 million in FY2023 mainly due to the increased profitability for Warrant Parking after full resumption of normal travel in FY2023 and acquisition of Hunan Honestone in June 2022.

Profit before tax

Profit before tax decreased by approximately HK\$29.8 million or 26.9%, from HK\$110.8 million in FY2022 to HK\$81.0 million in FY2023, arising mainly from (i) a one-off and non-recurring gain on disposal of assets classified as held for sale amounting to approximately HK\$32.7 million, comprising a total of 14 commercial units located in Macau, recorded in FY2022; (ii) decrease in gross profit and; (iii) expenses such as selling and distribution costs and administrative expenses that did not decrease proportionately with the decrease in sales.

FY2023 vs FY2024

Revenue

Revenue increased by approximately HK\$64.6 million or 9.6%, from HK\$671.8 million in FY2023 to HK\$736.3 million in FY2024, mainly due to an increase in demand for adhesives across all geographical regions, due to post-pandemic gradual recovery in consumer spending in footwear in the Asia-Pacific region.

Cost of goods sold

Cost of goods sold decreased by approximately HK\$3.7 million or 0.8%, from HK\$462.6 million in FY2023 to HK\$458.9 million in FY2024, mainly due to a decrease in material costs. The decrease in cost of materials was due to continued strengthening of our Group's costs control measures (implemented in FY2023) undertaken in FY2024 to ensure corporate sustainability.

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

Gross profit and Gross profit margin

Gross profit increased by approximately HK\$68.3 million or 32.7%, from HK\$209.1 million in FY2023 to HK\$277.4 million in FY2024. Our gross profit margin has improved from approximately 31.1% in FY2023 to 37.7% in FY2024, reflecting both the increase in revenue and the reduction in cost of goods sold as mentioned above.

Other income

Other income increased by approximately HK\$4.2 million or 48.9%, from HK\$8.6 million in FY2023 to HK\$12.8 million in FY2024 mainly due to the increase in interest income on bank deposits. The increase in interest income was attributable to an increase in bank deposits interest rates from approximately 3.00% to 5.09% per annum for FY2023, to 3.45% to 4.90% per annum for FY2024.

Other gains and losses, net

Other gains and losses decreased by approximately HK\$4.7 million, from loss of HK\$0.1 million in FY2023 due to loss of HK\$4.8 million mainly due to the increase in net exchange losses as a result of the general depreciation of USD in FY2024.

Allowances/Reversal of allowances for trade, bills and other receivables

Allowances/reversal of allowances for trade, bills and other receivables amounted to reversal of allowance of approximately HK\$1.8 million in FY2023 and allowance of HK\$5.0 million in FY2024. The total amounts of allowances for trade and bills receivables were assessed by the independent professional valuer for FY2023 and FY2024, mainly due to increase in gross trade and bills receivables, depending on the historical observed default rates are updated and changes in the forward-looking estimates at the end of each of the reporting period.

Selling and distribution expenses

Selling and distribution expenses remained relatively stable at approximately HK\$51.5 million in FY2023 and HK\$52.3 million in FY2024. As a percentage of revenue, selling and distribution expenses remained relatively consistent at approximately 7.7% of revenue for FY2023 and 7.1% of revenue for FY2024.

Administrative expenses

Administrative expenses increased by approximately HK\$16.5 million or 19.0%, from HK\$87.1 million in FY2023 to HK\$103.7 million in FY2024 mainly due to an increase in the employee benefits expenses (partly due to increase in bonus and administrative staff) and legal and professional fee incurred for the Listing.

Finance costs

Finance costs decreased by approximately HK\$0.3 million or 11.0%, from HK\$2.9 million in FY2023 to approximately HK\$2.6 million in FY2024 mainly due to a decrease in interest on bank loans. The decrease was driven by a decrease in bank loans from HK\$85.0 million as at 30 September 2023 to HK\$39.0 million as at 30 September 2024 and a lower average interest rate

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

of the bank loans from approximately 5.84% per annum in FY2023 to 5.45% per annum in FY2024. The decrease in bank loans was mainly due to repayment of short-term bank loans procured for temporary general working purposes in FY2023.

Shares of profits/(losses) of associates

Shares of profits/(losses) of associates decreased by approximately HK\$1.7 million or 70.3%, from HK\$2.5 million in FY2023 to HK\$0.7 million in FY2024 mainly due to the decreased profitability for Warrant Parking.

Profit before Tax

Profit before tax increased by approximately HK\$40.8 million or 50.3%, from HK\$81.0 million in FY2023 to HK\$121.8 million in FY2024, arising mainly from an increase in gross profit and expenses such as selling and distribution costs that did not increase proportionately with the increase in sales.

6M2024 vs 6M2025

Revenue

Revenue increased by approximately HK\$76.8 million or 23.1% from HK\$332.5 million at 6M2024 to HK\$409.3 million in 6M2025 mainly driven by the increase in demand for adhesives across all geographical regions, due to the continuous increase in consumer spending in footwear in the Asia-Pacific region.

Cost of goods sold

Cost of goods sold increased by approximately HK\$48.3 million or 23.3% from HK\$207.6 million at 6M2024 to HK\$255.9 million in 6M2025, in line with the increase in revenue and across all components of cost of goods sold.

Gross profit and Gross profit margin

Gross profit increased by approximately HK\$28.5 million or 22.8% from HK\$124.9 million at 6M2024 to HK\$153.4 million in 6M2025 mainly due to increase in revenue. Our overall gross profit margin remained stable at approximately 37.6% in 6M2024 and 37.5% in 6M2025.

Other income

Other income decreased by approximately HK\$0.8 million or 12.4%, from HK\$6.1 million in 6M2024 to HK\$5.3 million in 6M2025 mainly due to the decrease in interest income from bank deposits, driven by the lower bank deposits interest rates in 6M2025.

Other gains and losses, net

Other gains and losses increased by approximately HK\$5.0 million, from gain of HK\$0.9 million in 6M2024 to gain of HK\$5.9 million in 6M2025, mainly due to the increase in net exchange gains as a result of the general appreciation of USD in 6M2025.

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

Allowances/Reversal of allowances for trade, bills and other receivables

Allowances/reversal of allowances for trade, bills and other receivables amounted to allowance of approximately HK\$5.0 million in 6M2024 and allowance of HK\$3.0 million in 6M2025. The total amounts of allowances for trade and bills receivables were assessed by the independent professional valuer for 6M2024 and 6M2025, mainly depending on the historical observed default rates and changes in the forward-looking estimates at the end of each of the reporting period.

Selling and distribution expenses

Selling and distribution expenses increased by approximately HK\$2.7 million or 11.7%, from HK\$22.6 million in 6M2024 to HK\$25.3 million in 6M2025, in line with the increase in revenue. As a percentage of revenue, selling and distribution expenses remained relatively consistent at approximately 6.8% of revenue for 6M2024 and 6.2% of revenue for 6M2025.

Administrative expenses

Administrative expenses increased by HK\$12.5 million or 23.7%, from HK\$53.0 million in 6M2024 to HK\$65.5 million in 6M2025 mainly due to an increase in the employee benefits expense and the legal and professional fees incurred for the IPO expenses in Singapore.

Finance costs

Finance costs decreased by approximately HK\$0.4 million or 31.2%, from HK\$1.4 million in 6M2024 to approximately HK\$0.9 million in 6M2025 mainly due to a decrease in interest on bank loans. The decrease was driven by a decrease in bank loans from HK\$39.0 million as at 31 March 2024 to HK\$31.0 million as at 31 March 2025, and a lower average interest rate of the bank loans from approximately 5.17% per annum in 6M2024 to 2.74% per annum in 6M2025.

Shares of profits/(losses) of associates

Shares of profits/(losses) of associates decreased by approximately HK\$0.9 million or 119.9%, from shares of profit of HK\$0.7 million in 6M2024 to shares of loss HK\$0.2 million in 6M2025 mainly due to the loss operations of Warrant Parking in 6M2025.

Profit before tax

Profit before tax increased by approximately HK\$19.0 million or 37.6%, from HK\$50.7 million in 6M2024 to HK\$69.7 million in 6M2025, mainly driven by an increase in gross profit and increase in other gains and losses which mainly related to the net exchange gains of approximately HK\$5.9 million in 6M2025 compared to HK\$0.9 million in 6M2024.

REVIEW OF FINANCIAL POSITION

Non-Current Assets

Non-current assets comprise mainly property, plant and equipment, deposits for acquisition of property, plant and equipment, right-of-use assets, investments in associates, intangible assets, financial assets at FVTOCI, investment properties and club debentures. Non-current assets amounted to approximately HK\$139.4 million, HK\$144.8 million, HK\$176.4 million and HK\$197.5 million which accounted for approximately 20.0%, 19.4%, 21.5% and 23.7% of our total assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

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

Investment properties

Investment properties amounted to approximately HK\$3.8 million, HK\$3.8 million, HK\$3.0 million and HK\$3.0 million which accounted for approximately 2.7%, 2.6%, 1.7% and 1.5% of our total non-current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively. Investment properties related to office units in PRC and the amount decreased due to fair value loss as assessed by the independent professional valuer, depending on the then market data and certain unobservable inputs at the end of each of the reporting period.

Property, plant and equipment

Property, plant and equipment comprise mainly leasehold land and buildings, plant and machinery, construction in progress, and furniture, fixtures and equipment. Property, plant and equipment amounted to approximately HK\$82.6 million, HK\$73.9 million, HK\$84.3 million, HK\$79.6 million which accounted for approximately 59.2%, 51.0%, 47.8% and 40.3% of our total non-current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

As at 31 March 2025, property, plant and equipment comprised mainly:

- (a) leasehold land and buildings amounted to HK\$30.9 million and comprised mainly our premises in Zhuhai, PRC and Binh Duong Province (now: Ho Chi Minh City, Vietnam);
- (b) plant and machinery amounted to HK\$25.6 million and comprised mainly the equipment used in our production;
- (c) construction in progress amounted to HK\$20.8 million and related to our New Indonesia Plant, located in Central Java Province; and
- (d) furniture, fixtures and equipment amounted to HK\$2.1 million and related to the furniture and office equipment.

As at 30 September 2024, property, plant and equipment comprised mainly:

- (a) leasehold land and buildings amounted to HK\$33.5 million and comprised mainly our premises in Zhuhai, PRC and Binh Duong Province (now: Ho Chi Minh City, Vietnam);
- (b) plant and machinery amounted to HK\$29.5 million and comprised mainly the equipment used in our production;
- (c) construction in progress amounted to HK\$19.0 million and related to our New Indonesia Plant, located in Central Java Province; and
- (d) furniture, fixtures and equipment amounted to HK\$1.7 million and related to the furniture and office equipment.

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

Right-of-use assets

Right-of-use assets relate to leasehold lands and leased properties, including offices, factories and staff quarters. Right-of-use assets amounted to approximately HK\$14.2 million, HK\$37.9 million, HK\$39.4 million and HK\$40.8 million which accounted for approximately 10.2%, 26.2%, 22.4% and 20.7% of our total non-current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively. The increase in the right-of-use assets as at 30 September 2023 was due to the acquisition of a piece of land in Indonesia for industrial use in April 2022, and consideration paid for this was recorded as prepayments for acquisition of right-of-use assets of approximately HK\$25.5 million as at 30 September 2022.

Intangible assets

Intangible assets relate mainly to software and club membership. Intangible assets amounted to approximately HK\$1.8 million, HK\$6.3 million, HK\$5.6 million and HK\$5.2 million which accounted for approximately 1.3%, 4.3%, 3.2% and 2.7% of our total non-current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively. The increase in intangible assets from approximately HK\$1.8 million as at 30 September 2022 to HK\$6.3 million as at 30 September 2023 was mainly due to the purchase of enterprise resource planning software.

Investments in associates

Investments in associates relate to our 40% and 30% shareholding interests in Warrant Parking and Hunan Honestone respectively. Investments in associates amounted to approximately HK\$6.1 million, HK\$8.5 million, HK\$9.3 million and HK\$9.1 million which accounted for approximately 4.4%, 5.9%, 5.3% and 4.6% of our total non-current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Club debentures

Club debentures relate to refundable membership deposits pending redemption, in relation to the club memberships recorded under our intangible assets. Club debentures amount to approximately HK\$1.1 million, representing less than 1% of our total non-current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025.

Financial assets at FVTOCI

Financial assets at FVTOCI relate to listed investments comprising equity securities and debt securities, amounting to approximately HK\$3.7 million, HK\$4.5 million, HK\$2.8 million and HK\$3.1 million which accounted for approximately 2.6%, 3.1%, 1.6% and 1.5% of our total non-current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Deposits for acquisition of property, plant and equipment

Deposits for acquisition of property, plant and equipment relates to deposits for acquisition of assets required for our production. Deposits for acquisition of property, plant and equipment amounted to approximately HK\$0.6 million, HK\$8.8 million, HK\$30.9 million and HK\$55.6 million which accounted for approximately 0.4%, 6.1%, 17.5% and 28.2% of our total non-current assets

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

as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively, and the increases in FY2023, FY2024 and 6M2025 were mainly due to deposits paid for machinery for our new manufacturing plant in Indonesia.

Current Assets

Current assets comprise mainly trade, bills and other receivables, inventories, and bank and cash balances. Current assets amounted to approximately HK\$558.2 million, HK\$600.2 million, HK\$643.1 million and HK\$635.7 million which accounted for approximately 80.0%, 80.6%, 78.5% and 76.3% of our total assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Inventories

Inventories comprise raw materials and finished goods. Inventories amounted to approximately HK\$128.2 million, HK\$49.9 million, HK\$71.5 million and HK\$74.9 million and accounted for 23.0%, 8.3%, 11.1% and 11.8% of our total current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Trade, bills and other receivables

Trade, bills and other receivables comprise mainly trade and bills receivables from customers, value-added tax recoverable, prepayments, deposits and other receivables. Prepayments, deposits and other receivables mainly represented deposits for prepaid expenses and other miscellaneous receivables incurred in the ordinary course of our business operations. Trade, bills and other receivables amounted to approximately HK\$278.7 million, HK\$178.1 million, HK\$218.3 million and HK\$204.2 million and accounted for approximately 49.9%, 29.7%, 34.0% and 32.1% of our total current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively. Trade and bills receivables are mainly denominated in USD, and credit terms for trade receivables are 30 days to 120 days. Trade receivable turnover days were 88 days, 113 days, 92 days and 89 days for FY2022, FY2023, FY2024 and 6M2025 respectively, and within the credit terms.

Debt instruments at amortised cost

Debt instruments at amortised cost comprise certificates of deposit being debt securities issued by financial institutions. Debt instruments at amortised cost amounted to nil, approximately HK\$7.1 million, HK\$10.0 million and HK\$13.4 million which accounted for nil, approximately 1.2%, 1.6% and 2.1% of our total current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Restricted bank deposits

Restricted bank deposits comprise deposits pledged to banks to secure banking facilities granted to our Group. Restricted bank deposits amounted to approximately HK\$16.1 million, HK\$18.7 million, HK\$21.4 million and HK\$21.5 million which accounted for approximately 2.9%, 3.1%, 3.3% and 3.4% of our total current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

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

Bank and cash balances

Bank and cash balances comprise mainly time deposits with maturities of over three months but less than one year and cash and cash equivalents. Bank and cash balances amounted to approximately HK\$135.2 million, HK\$346.4 million, HK\$321.9 million and HK\$321.7 million and accounted for approximately 24.2%, 57.7%, 50.1% and 50.6% of our total current assets as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively. Please refer to the paragraph titled "Liquidity and Capital Resources" of this section of the Offer Document for more details on the changes of cash and cash equivalents during the Period Under Review.

Non-Current Liabilities

Non-current liabilities comprise mainly lease liabilities and deferred tax liabilities. Non-current liabilities amounted to approximately HK\$9.1 million, HK\$7.4 million, HK\$10.7 million and HK\$13.4 million and accounted for approximately 4.3%, 3.2%, 4.6% and 5.5% of our total liabilities as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Lease liabilities

Lease liabilities relate to payables for lease of lands and buildings which mainly includes office units. The non-current portion of our lease liabilities amounted to approximately HK\$3.4 million, HK\$1.3 million, HK\$2.7 million and HK\$5.1 million and accounted for approximately 37.2%, 17.8%, 25.5% and 38.1% of our total non-current liabilities as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Deferred tax liabilities

Deferred tax liabilities relate mainly to tax liabilities attributed to undistributed profits of subsidiaries. Deferred tax liabilities amounted to approximately HK\$5.7 million, HK\$6.1 million, HK\$8.0 million and HK\$8.3 million and accounted for approximately 62.8%, 82.2%, 74.5% and 61.9% of our total non-current liabilities as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Current Liabilities

Current liabilities comprise mainly trade, bills and other payables, bank loans and current tax liabilities. Current liabilities amounted to approximately HK\$201.2 million, HK\$224.2 million, HK\$225.1 million and HK\$228.6 million and accounted for approximately 95.7%, 96.8%, 95.4% and 94.5% of our total liabilities as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Trade, bills and other payables

Trade, bills and other payables comprise trade payables, bill payables, amount due to an associate and accruals for mainly employee benefits expenses, general marketing expenses and discounts for customers. Trade, bills and other payables amounted to approximately HK\$139.3 million, HK\$108.2 million, HK\$152.0 million and HK\$157.3 million and accounted for approximately 69.3%, 48.3%, 67.5% and 68.8% of our total current liabilities as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

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

Trade and bills payables comprised trade and bills payables due from our suppliers and mainly denominated in USD and RMB, and credit terms of typically 30 days to 90 days. Trade and bill payables turnover days were 25 days, 38 days, 37 days and 35 days for FY2022, FY2023, FY2024 and 6M2025 respectively, and generally within the credit terms.

Lease liabilities

The current portion of our lease liabilities amounted to approximately HK\$3.3 million, HK\$2.9 million, HK\$1.7 million and HK\$2.9 million and accounted for approximately 1.6%, 1.3%, 0.8% and 1.3% of our total current liabilities as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Bank loans

Bank loans are denominated in HK\$, repayable on demand and secured against restricted bank deposits and corporate guarantee, and amounted to approximately HK\$30.0 million, HK\$85.0 million, HK\$39.0 million and HK\$31.0 million and accounted for approximately 14.9%, 37.9%, 17.3% and 13.6% of our total current liabilities as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively. The higher bank loans as at 30 September 2023 was mainly due to short-term bank loans procured for temporary general working purposes in FY2023.

Current tax liabilities

Current tax liabilities amounted to approximately HK\$28.6 million, HK\$28.1 million, HK\$32.4 million and HK\$37.4 million and accounted for approximately 14.2%, 12.5%, 14.4% and 16.4% of our total current liabilities as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025, respectively.

Equity

Total equity amounted to approximately HK\$487.3 million, HK\$513.4 million, HK\$583.6 million and HK\$591.2 million as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025 respectively, and comprised mainly retained profits, share capital and share premium.

LIQUIDITY AND CAPITAL RESOURCES

We set out below a summary of our consolidated statements of cash flows for the Period Under Review. The following net cash flow summary should be read in conjunction with the full text of this Offer Document, including the "Independent Auditor's Report and the Audited Consolidated Financial Statements for the Financial Years ended 30 September 2022, 2023 and 2024" and "Independent Auditor's Review Report and the Unaudited Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 31 March 2025" as set out in Appendix A and B of this Offer Document respectively.

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

(HK\$'000)	Audited FY2022	Audited FY2023	Audited FY2024	Unaudited 6M2024	Unaudited 6M2025
Net cash (used in)/generated from operating activities	(3,546)	221,242	97,373	57,628	72,217
Net cash generated from/(used in) investing activities	59,779	(33,557)	(35,153)	(880)	(14,916)
Net cash (used in)/generated from financing activities	(38,223)	11,619	(95,245)	(49,167)	(41,164)
Net increase/(decrease) in cash and cash equivalents	18,010	199,304	(33,025)	7,581	16,137
Cash and cash equivalents at beginning of the financial year/period	126,484	133,062	331,380	331,380	306,581
Effect of exchange rate changes on cash and cash equivalents	(11,432)	(986)	8,226	199	(3,779)
Cash and cash equivalents at end of the financial year/period	133,062	331,380	306,581	339,160	318,939

FY2022

In FY2022, net cash flow was used in operating activities of approximately HK\$3.5 million, resulted from operating profit before working capital changes of approximately HK\$103.3 million, with uses of cash for working capital of HK\$100.7 million, taxes paid of HK\$6.1 million and interest on lease liabilities of HK\$0.1 million. The net working capital changes was mainly due to the following:

- (i) Decrease in cash flow of HK\$112.6 million due to increase in trade, bills and other receivables;
- (ii) Decrease in cash flow of HK\$30.2 million due to increase in inventories; and
- (iii) Increase in cash flow of HK\$42.1 million due to increase in trade, bills and other payables.

The net cash generated from investing activities amounted to approximately HK\$59.8 million in FY2022 mainly due to gross proceeds of approximately HK\$93.0 million from the disposal of 14 commercial units located in Macau in FY2022, partly offset by purchases/prepayments of plant and equipment, right-of-use assets and financial assets.

The net cash used in financing activities amounted to approximately HK\$38.2 million in FY2022 mainly due to repayment of bank loans, lease liabilities and dividends paid.

As at 30 September 2022, cash and cash equivalents were approximately HK\$133.1 million.

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

FY2023

In FY2023, net cash flow was generated from operating activities of approximately HK\$221.2 million, resulted from operating profit before working capital changes of approximately HK\$91.2 million, with net cash inflows resulting from changes in working capital of approximately HK\$144.0 million, taxes paid of HK\$13.8 million and interest on lease liabilities of HK\$0.2 million. The net working capital changes was mainly due to the following:

- (i) Increase in cash flow of HK\$101.1 million due to decrease in trade, bills and other receivables;
- (ii) Increase in cash flow of HK\$75.4 million due to decrease in inventories; and
- (iii) Decrease in cash flow of HK\$32.5 million due to decrease in trade, bills and other payables.

The net cash used in investing activities amounted to approximately HK\$33.6 million in FY2023 mainly due to increase in short-term time deposits and purchases of certificates of deposit.

The net cash generated from financing activities amounted to approximately HK\$11.6 million in FY2023 mainly due to new bank loans, partly offset by repayment of bank loans, lease liabilities and dividends paid.

As at 30 September 2023, cash and cash equivalents were approximately HK\$331.4 million.

FY2024

In FY2024, net cash flow was generated from operating activities of approximately HK\$97.4 million, resulted from operating profit before working capital changes of HK\$134.1 million, with uses of cash for working capital of HK\$21.3 million, taxes paid of HK\$15.3 million and interest on lease liabilities of HK\$0.2 million.

The net working capital changes was mainly due to the following:

- (i) Decrease in cash flow of HK\$43.8 million due to increase in trade, bills and other receivables;
- (ii) Decrease in cash flow of HK\$20.4 million due to increase in inventories; and
- (iii) Increase in cash flow of HK\$42.9 million due to increase in trade, bills and other payables.

The net cash used in investing activities amounted to approximately HK\$35.2 million in FY2024 mainly due to capital expenditures.

The net cash used in financing activities amounted to approximately HK\$95.2 million in FY2024 mainly due to repayment of bank loans, lease liabilities and dividends paid.

As at 30 September 2024, cash and cash equivalents were approximately HK\$306.6 million.

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

6M2024

In 6M2024, net cash flow was generated from operating activities of approximately HK\$57.6 million, resulted from operating profit before working capital changes of HK\$66.6 million, with uses of cash for working capital of approximately HK\$1.0 million, taxes paid of HK\$7.8 million and interest on lease liabilities of HK\$0.1 million. The net working capital changes was mainly due to the following:

- (i) Decrease in cash flow of HK\$19.1 million due to increase in inventories;
- (ii) Increase in cash flow of HK\$9.4 million due to decrease in trade, bills and other receivables;
and
- (iii) Increase in cash flow of HK\$8.7 million due to increase in trade, bills and other payables.

The net cash used in investing activities amounted to approximately HK\$0.9 million in 6M2024 mainly due to capital expenditures and increase in time deposits, partly offset by interest received and redemption of debt instruments.

The net cash used in financing activities amounted to approximately HK\$49.2 million in 6M2024 mainly due to payment of bank loans and dividends.

As at 31 March 2024, cash and cash equivalents were approximately HK\$339.2 million.

6M2025

In 6M2025, net cash flow was generated from operating activities of approximately HK\$72.2 million, resulted from operating profit before working capital changes of HK\$86.1 million, with uses of cash for working capital of approximately HK\$47,000, taxes paid of HK\$13.8 million and interest on lease liabilities of HK\$0.1 million. The net working capital changes was mainly due to the following:

- (i) Decrease in cash flow of HK\$13.0 million due to increase in inventories;
- (ii) Increase in cash flow of HK\$9.6 million due to decrease in trade, bills and other receivables;
and
- (iii) Increase in cash flow of HK\$3.3 million due to increase in trade, bills and other payables.

The net cash used in investing activities amounted to approximately HK\$14.9 million in 6M2025 mainly due to capital expenditures.

The net cash used in financing activities amounted to approximately HK\$41.2 million in 6M2025 mainly due to payment of bank loans, lease liabilities and dividends.

As at 31 March 2025, cash and cash equivalents were approximately HK\$318.9 million.

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

In assessing whether our Group has sufficient working capital, our Directors have considered the following:

- (a) our financial position as at 31 March 2025 as described in "Independent Auditor's Review Report and the Unaudited Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 31 March 2025" as set out in Appendix B of this Offer Document;
- (b) the cash flows generated from our operations;
- (c) cash and cash equivalents of approximately HK\$271.5 million as at the Latest Practicable Date;
- (d) no bank borrowings as at the Latest Practicable Date;
- (e) the expected scheduled repayment of lease liabilities and interest expenses in the 12-month period from after Listing arising from our lease liabilities;
- (f) the remaining payment of approximately HK\$34.8 million as at 31 March 2025 for the acquisition of property, plant and equipment and construction works of the new factory in Indonesia, which will be financed by internal resources of our Group;
- (g) the potential payment of social insurance and housing provident fund shortfall in relation to Zhuhai Centresin Chemical Product Company Limited; and
- (h) the estimated withholding taxes to be collected and paid by the liaison office in Bangladesh.

Having considered the factors above, having made due and careful enquiry, and without considering the gross proceeds to be raised pursuant to the Listing, the Directors are of the view that the working capital available to our Group as at the date of this Offer Document is sufficient for our present requirements and for at least 12 months after the Listing.

The Sponsor and Issue Manager is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the factors set out above, and without considering the gross proceeds to be raised pursuant to the Listing, the working capital available to our Group as at the date of this Offer Document is sufficient for our present requirements and for at least 12 months after Listing.

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

CAPITAL EXPENDITURES, DIVESTMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

Capital Expenditures and Divestments

Our capital expenditures during the Period Under Review and for the period from 1 April 2025 to the Latest Practicable Date were as follows:

(HK\$'000)	FY2022	FY2023	FY2024	6M2025	1 April 2025 to the Latest Practicable Date
Furniture, fixtures and equipment	504	1,047	360	106	15
Lease improvement	–	637	–	–	129
Motor vehicles	–	–	–	11	–
Plant and machinery	536	1,238	344	623	332
Construction in progress	3,654	3,725	19,836	3,150	1,972
Total	4,694	6,647	20,540	3,890	2,448

The construction in progress mainly related to our new manufacturing plant in Indonesia, located in Central Java Province and our existing manufacturing plant in Binh Duong Province (now: Ho Chi Minh City, Vietnam).

Our capital divestments during the Period Under Review and for the period from 1 April 2025 to the Latest Practicable Date were as follows:

(HK\$'000)	FY2022	FY2023	FY2024	6M2025	1 April 2025 to the Latest Practicable Date
Leasehold land and buildings	–	2,423	–	–	–
Furniture, fixtures and equipment	–	50	–	–	–
Lease improvement	–	217	–	–	–
Plant and machinery	153	13	–	–	–
Total	153	2,703	–	–	–

The leasehold land and buildings disposed in FY2023 related to disposal of certain office units located in the PRC.

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

Commitments

Capital commitments

As at 31 March 2025 and as at the Latest Practicable Date, we have capital commitments of approximately HK\$36.0 million and HK\$16.3 million in respect of acquisitions of property, plant and equipment, mainly for the New Indonesia Plant, to be funded by internally generated funds.

Lease commitments

As at 31 March 2025 and as at the Latest Practicable Date, our Group's lease liabilities were as follows:

(HK\$'000)	As at 31 March 2025	As at Latest Practicable Date
Within one year	2,867	3,252
In the second to fifth years, inclusive	5,110	4,385
Total	7,977	7,637

Our lease liabilities comprise leasing of office premises, factories and staff quarters as disclosed in the sections entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" and "General Information on our Group – Properties and Fixed Assets" of this Offer Document.

We intend to finance the above lease liabilities by our internally generated funds.

Borrowings

As at 31 March 2025 and as at the Latest Practicable Date, our Group's bank loans were as follows:

(HK\$'000)	As at 31 March 2025	As at Latest Practicable Date
Within one year	31,000	–
Total	31,000	–

Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details of our bank loans.

Contingent Liabilities

As at the Latest Practicable Date, our Group does not have any material contingent liabilities.

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

FOREIGN EXCHANGE MANAGEMENT

Our functional and presentation currency is in HK\$. Our operations are primarily carried out in Macau, Indonesia, Vietnam and the PRC. Our Group's business transactions, such as sales and purchases, are mainly denominated in US\$, and our Group's assets and liabilities are principally derived from our overseas operations and mainly denominated in US\$, RMB, VND and IDR. Foreign currency transactions are translated into HK\$ at rates of exchange approximating those prevailing at transaction dates.

Our net foreign exchange gains/(losses) for the Period Under Review were as follows:

	FY2022	FY2023	FY2024	6M2025
Net foreign exchange gains/(losses) (HK\$'000)	3,518	(646)	(4,586)	5,901
As a percentage of revenue (%)	0.4	(0.1)	(0.6)	1.4
As a percentage of profit before tax (%)	3.2	(0.8)	(3.8)	8.5

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

SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

There has been no significant change in the accounting policies for our Group during the Period Under Review. Please refer to Note 4 of the "Independent Auditor's Report and the Audited Consolidated Financial Statements for the Financial Years ended 30 September 2022, 2023 and 2024" and Note 2 of the "Independent Auditor's Review Report and the Unaudited Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 31 March 2025" as set out in Appendices A and B of this Offer Document respectively for more details of our accounting policies. Our Group does not expect to make any significant changes to our accounting policies in the next 12 months that could have a material impact on our financial statements.

GENERAL INFORMATION ON OUR GROUP

HISTORY OF OUR GROUP

Our Group's history can be traced back to 1990 when our founder Mr. Leong and an independent third party established Lao Son Hong Paint Company, owned equally by both of them (and the independent third party is no longer a shareholder from 1998). Lao Son Hong Paint Company was principally engaged in the distribution of adhesive and related products.

Since 1998, our Group has established production capabilities in the PRC, first with a production plant in Zhongshan, which was principally engaged in the processing of adhesives and primers, and a year later, establishing Zhuhai Centresin to explore the possibility of our Group having its own production facilities. In 2006, a production plant was established in Zhuhai in the PRC ("**Zhuhai Production Plant**") to undertake our Group's production of footwear adhesive and primers. With the establishment of Zhuhai Production Plant, the production plant in Zhongshan ceased its operations.

In view of the potential growth of the footwear manufacturing industry in Vietnam at the time, our Group established a production plant in the Thuan An District in Binh Duong Province (now: Ho Chi Minh City), Vietnam in 2005, for the processing of adhesives and primers to be delivered to customers in Vietnam. Our production capability in Vietnam was expanded with the establishment of a new production plant in the Dai Dang Industrial Zone in Binh Duong Province (now: Ho Chi Minh City) ("**Vietnam Production Plant**"), which commenced operations in 2011.

In August 2005, in order to strengthen our Group's research and development capabilities, we entered into a technical support agreement with No-Tape Japan.

In 2010, our Group expanded our production base to include Indonesia when we established PT Zhong Bu Adhesive, that is engaged in the processing and sale of adhesive products in Jatiuwung District, Tangerang City, Banten Province, Indonesia. Subsequently, in 2021, we have established PT Zhong Bu Resins which will be engaged in the production of adhesive products under a new plant that is under construction in Kendal Industrial Park, Kendal Regency, Central Java Province, Indonesia.

Since 2016, we have also set up a research and development centre in Guangzhou, where our research and development team members work on formulation and technology innovations that enhance the performance of our adhesives and on sustainable formulations that are environmental-friendly.

Our Corporate History

Our Company was incorporated on 15 December 2009 under the name "Infinity Chemical Holdings Company Ltd.", to serve as a holding company for the entire Group's business in preparation for listing on HKSE. We subsequently changed our name to "Infinity Chemical Holdings Company Limited 星謙化工控股有限公司" on 6 January 2010. We have been listed on the Main Board of the HKSE since August 2010, under Stock Code: 640. At the extraordinary general meeting of our Company held on 23 December 2015, our Shareholders approved the change of our name to "Infinity Development Holdings Company Limited 星謙發展控股有限公司" to reflect the future direction of our Group. While our main offices are located in Hong Kong and Macau, our Group now conducts its business activities and has subsidiaries and associated companies in the BVI, Vietnam, Hong Kong, India, Indonesia, Macau, the PRC, Malaysia, Singapore, and Taiwan with factories located in Zhuhai in the PRC, Vietnam, and Indonesia. We also have representative offices in Bangladesh, Cambodia and Taiwan.

GENERAL INFORMATION ON OUR GROUP

Key Milestones

The table below sets forth our key milestones:

- 1990** Lao Son Hong Paint Company Limited was established in Macau, undertaking distribution of adhesive and related products.
- 1996** Established own brand “Centresin”.
- 1998** Established Zhongshan Macson Adhesive Co., Ltd., as a processing, training and logistics centre in the PRC. The company has since been dissolved.
- 1999** Established Zhuhai Centresin in planning to establish our own production facilities.
- 2002** Established own brand “Zhong Bu” and “Guarandure”.
- 2005** Established Zhong Bu Vietnam, which is engaged in processing of adhesive products.
- 2006** Completed establishment of Zhuhai Production Plant, as the major production base and research centre for adhesives and related products.
- 2006** “lao Son Pei Miao Ding An Primary School” sponsored by lao Son Hong Paint company Limited in Guangxi opened.
- 2009** Successfully developed and promoted environmentally friendly water-based adhesive products for vulcanised/skate shoes.
- 2010** Company’s shares were successfully listed on the Main Board of HKSE.
- 2010** Establishing PT Zhong Bu Adhesive, as the co-ordination and operation centre to explore business opportunities in Indonesia.

Set up a branch office in Guangzhou as a co-ordination and operation support centre in the PRC.
- 2014** Set up a representative office in Cambodia as a co-ordination and operation centre for the Cambodia market.

Set up a representative office in Bangladesh as a co-ordination and operation centre for the Bangladesh market.
- 2016** Set up a representative office in Taiwan as a networking and coordination support centre for the Taiwan region.
- 2016** Completed construction of a major factory in Vietnam with enlarged production capacity.
- 2021** Established Zhong Bu Development Singapore Pte. Ltd as regional headquarters in Southeast Asia.
- 2022** Commencement of construction project for New Indonesia Plant.
- 2024** Established Zhong Bu Development India Private Limited, to explore further expansion opportunities.
- 2025** Established Zhong Bu Malaysia to undertake investment holding and management services.

GENERAL INFORMATION ON OUR GROUP

BUSINESS OVERVIEW

We are principally engaged in the manufacture and sale of adhesives, primers, hardeners and other adhesive related products used by footwear manufacturers. Our Group is ranked top four among manufacturers of footwear adhesives whose presence is focused on Asia, as surveyed by Converging Knowledge Pte Ltd. We have our own brand of adhesive products under the brands “Zhong Bu” and “Centresin”, which we manufacture and/or sell mainly in Vietnam, Indonesia, Bangladesh and PRC.

Adhesives are used for bonding all components of footwear including outsoles, insoles and uppers. Primers are used in the pretreatment of footwear components prior to the application of adhesives. Hardeners, being a curing agent, are used by mixing with adhesives for controlling or facilitating the curing action of adhesives. Adhesives, primers and hardeners, being key production materials in the manufacture of footwear, are applied in different stages of the footwear manufacturing process, and the quality of which may have critical impact on the quality of footwear. During the Period Under Review, apart from adhesives and primers produced and sold by our Group under original equipment manufacturer (OEM) basis, our Group marketed and sold its adhesives and primers under its own brand “Zhong Bu” and “Centresin”. The Directors believe that such brand is well recognised by its customers.

PRODUCTS

Our key products are adhesives and primers under our “Zhong Bu” brand.

The following shows the main classification of the products:

Product Type	Application
Adhesive:	
Grafted CR Adhesive	Bonding of leather, canvas, EVA, rubber and TPR
Polychloroprene Adhesive	Bonding of wrapping, sock lining, wood
PU Adhesive	Bonding PVC, PU, leather, rubber, EVA, nylon sole etc
Toluene-free PU Adhesive	Bonding leather, PVC, PU, rubber and EVA
Water-based Adhesive	Bonding EVA, PU, rubber and leather synthetic leather, PVC, nylon upper
Water-based Leather Adhesive	For leather and 1 st time application of adhesive
Water-based Waterproof Adhesive	For waterproof inner lining and 2 nd application of time adhesive
Water-based CR Adhesive	Bonding wrapping, sock lining, wood
Water-based Spray Adhesive	Bonding the lamination of shoes upper

GENERAL INFORMATION ON OUR GROUP

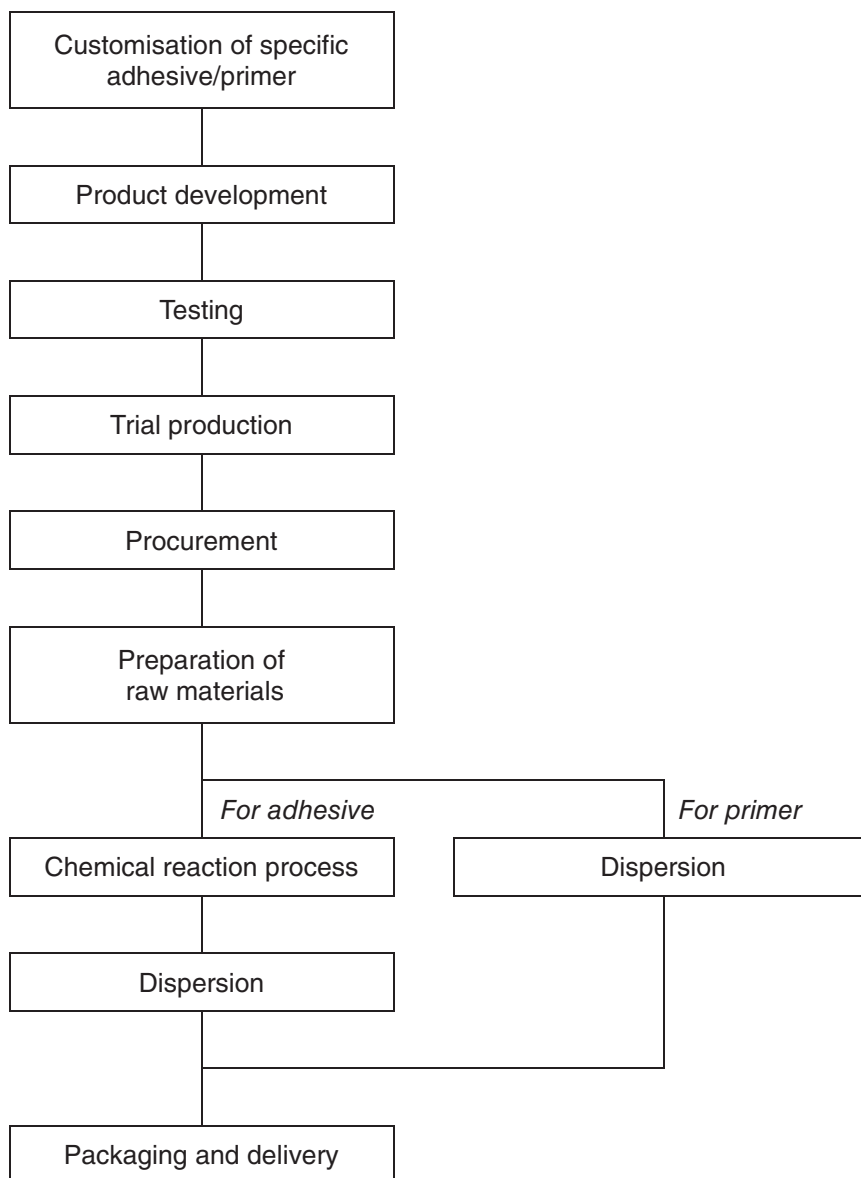
Product Type	Application
Primer	
Synthetic Leather Primer	Treatment of synthetic leather
PVC Primer	Treatment of soft PVC, synthetic leather and plastics
Rubber Primer	Treatment of vulcanised rubber, TPR
TPR Primer	Treatment of TPR and TR sole
EVA Primer	Treatment of EVA or polyolefin
Oil leather Primer	Treatment of oil treated leather
Molded EVA Primer	Treatment of molded EVA
Multi-functional Mesh Primer	Treatment of mesh
Toluene-free PU Primer	Treatment of PU, synthetic leather
Toluene-free Leather Primer	Treatment of leather
Toluene-free Nylon Primer	Treatment of nylon sole, cloth, Hytrel etc.
Toluene-free EVA Primer	Treatment of EVA, Polyolefin
Toluene-free UV Primer	Treatment of molded EVA
Toluene-free UV Primer	Treatment of EVA, molded EVA, die-cut EVA, Injection EVA and Phylon
UV Primer with dipping process	Treatment of EVA, molded EVA, die-cut EVA, Injection EVA
Water-based Leather Primer	Treatment of leather, suede and canvas
Water-based Primer for Rubber	Treatment of vulcanised rubber, TPR
Water-based Primer for Molded EVA	Treatment of EVA, molded EVA
Hardener:	
Hardener for Water-Based Spray Adhesive	Controlling curing action of adhesive

Although our Company's products generally fall within similar categories, continuous improvements are made to enhance their performance. For example, in the water-based adhesives category, the formulations have been developed over time to provide better initial tack and stronger bonding. This ongoing refinement supports product innovation that aligns with end customers' needs and industry trends toward environmentally friendly and sustainable materials.

GENERAL INFORMATION ON OUR GROUP

BUSINESS PROCESS

The production of our adhesives and primers involve the following principal steps:



Customisation of specific adhesive/primer

Since the types of adhesive and/or primer to be applied on different footwear may vary, our production process starts with discussions between our footwear manufacturer customers and our sales, marketing and technical services team, with the view to exploring the appropriate adhesive and/or primer based on customers' needs. Generally, customers will be able to procure from our existing product range. However, in certain cases, customisation of specific adhesives/primers may be required.

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During this process, we collaborate with our customers to develop a customised adhesive and/or primer for the footwear products of our customers before production. The sales, marketing and technical services team will gather the information of the footwear products including the type of materials used in the production of such footwear products and the production method, as well as specific requirements (if any) from the footwear manufacturer customers. Formulation and know-how of any customised products have been retained by our Group.

Product development

The information gathered by the sales, marketing and technical services team will be passed to the research and development team of our Group. Based on such information and specific requirements of the adhesives and/or primers requested by customers, the research and development team will commence the product development process by formulating the composition and proportion of raw materials for the adhesive and/or primer production.

Testing

Once a formula for a specific adhesive and/or primer is developed, the research and development team will produce the requisite adhesive and/or primer sample using in-house equipment and facilities, and the products will then be tested in various specifications including viscosity, colour and the level of VOCs released. Since the release of VOCs may cause health concerns to workers and may pollute the environment, it is one of the major indicators to determine whether the products are environmental-friendly.

Trial production

Once the adhesive and/or primer passes the checks of, and is approved by, the research and development team, the product sample will be delivered to the customer for trial production. If the customer is satisfied with the adhesive and/or primer after the customer's trial production, the customer proceeds to place purchase orders with the sales department for such adhesive and/or primer. Post-trial production, if the customer requires further support from our Group to formulate adhesives and/or primers having different desired qualities, the sales, marketing and technical services team, together with the research and development team, will collaborate further with the customer for product development and testing. Any new formulation is retained by our Group and added to our range of adhesive products.

Procurement

Customers' purchase orders will be centrally managed by our Group's procurement department, which will assess the sufficiency of our production capacity and the raw materials required for production of the requested products. The consolidated orders prepared by the staff responsible for procurement will then be passed to the production department for planning the production schedule.

Preparation of raw materials

Raw materials of our products comprise MEK, acetone, ethyl acetate, synthetic resin and polyester polyol. The production department will procure the required raw materials from our suppliers. Prior to production of customers' orders, raw materials will be inspected by the procurement department for quality control.

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Chemical reaction process

Following the inspection of raw materials, the production department will begin their production processes. For the production of adhesives, raw materials are transferred into the reactor to initiate the polymerisation process. During this process, the production team performs testing and inspection on the production and chemical reaction process, to ensure that the chemical reaction process will be able to fulfil the desired quality of the adhesives being produced. The semi-finished products are produced from the reactor after chemical reaction. The quality assurance process for the semi-finished products will be performed by the quality assurance team.

The production of primers does not involve any chemical reaction of raw materials.

Dispersion

Adhesives

For the production of adhesives, semi-finished products will be transferred from the reactor to a dispersion machine, which will disperse the particles of the semi-finished products to achieve the required viscosity, particle size distribution, stability and other properties, thereby enhancing the overall quality and performance of the product. The testing and inspection processes will be performed by the production department to ensure the quality of the finished products.

Primer

For the production of primers, as no chemical reaction process is required in the production process, the raw materials will be put into the dispersion machine for mixing, to produce the required primer products. For quality assurance, the production department will perform testing and inspection on the primer products during and after the production process.

Packaging and delivery

Upon completion of the dispersion process, the finished products which satisfy the testing and inspection processes will be filled into packing cans directly from the dispersion machine. The finished products will then be transferred to the warehouse, pending delivery on terms requested by the customers.

Production of hardeners

The process of production of our hardeners are similar to the steps in relation to production of our adhesives and primers described above, but it does not involve polymerisation, but instead, blending/controlled reaction.

PRODUCTION FACILITIES

As at the Latest Practicable Date, our Group has three production plants in Vietnam, PRC, and Indonesia. Following the acquisition of land in Indonesia in April 2022, our Group is constructing the New Indonesia Plant to better serve its customers in the region, by improving its costs competitiveness and freight time advantages and further solidify its core business.

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Existing production facilities

The table below provides further details of each of the existing production facilities for the Period Under Review.

Country/Place	Products made	Production Lines	Productive Capacity		Utilisation Capacity	
			Year	Capacity	Year	Utilisation
Vietnam ⁽¹⁾	Adhesives Primers Hardeners	20	FY2022	41,000 tons per year	FY2022	62%
			FY2023	41,000 tons per year	FY2023	48%
			FY2024	41,000 tons per year	FY2024	55%
			6M2025	41,000 tons per year	6M2025	58%
PRC ⁽¹⁾	Adhesives Primers Hardeners	25	FY2022	28,000 tons per year	FY2022	74%
			FY2023	28,000 tons per year	FY2023	76%
			FY2024	28,000 tons per year	FY2024	70%
			6M2025	28,000 tons per year	6M2025	70%
Indonesia (Existing production plant) ⁽¹⁾	Adhesives Primers	4	FY2022	6,000 tons per year	FY2022	41.2%
			FY2023	6,000 tons per year	FY2023	40.3%
			FY2024	6,000 tons per year	FY2024	48.6%
			6M2025	6,000 tons per year	6M2025	73.7%

Note:

(1) Maximum production capacity for the above three plants is estimated based on maximum output for 11.5 months per year, 30 days per month, operating two shifts per day, with each shift of 8 hours.

New Indonesia Plant

Our Group had acquired land in Indonesia for industrial use in April 2022 as disclosed in the Company's announcement dated 13 April 2022, and is now in the process of constructing the New Indonesia Plant. The reason for the construction of the New Indonesia Plant is for our Group to better serve its customers by improving its costs competitiveness and freight time advantages, and further solidify its core business.

The estimated cost of the acquisition of property, plant and equipment and construction works of the New Indonesia Plant is HK\$90.4 million, of which HK\$55.6 million has already been expended as at 31 March 2025. This amount included the consideration of US\$4,250,000 (equivalent to

GENERAL INFORMATION ON OUR GROUP

approximately HK\$33,150,000) for assets acquired by our Group from an independent third party in November 2024, relating to machinery and production equipment, and certain pipeline, instrument and electrical works for the New Indonesia Plant.

The above costs are financed through our Group's internally generated funds and production capacity is expected to increase by approximately 14,000 tons per year. The New Indonesia Plant is expected to commence trial production in the last quarter of 2025 (and the existing Indonesia plant being gradually phased out when appropriate).

The following table shows certain details of the New Indonesia Plant.

Country/Place	Products	Production Lines	Productive Capacity
Indonesia	Adhesives Primers Hardeners	13 (expected)	14,000 tons per year (estimated)

We have obtained all relevant approvals, licenses and/or permits in relation to the New Indonesia Plant, save for the following:

(a) Verified Standard Certificate for KBLI 20291

Before PT Zhongbu Resins can commence its operational and business activities, it must obtain a Verified Standard Certificate for KBLI 20291. The status of PT Zhongbu Resins' Standard Certificate is still "unverified". The standard certificate is in the verification process and once the construction of the New Indonesia Plant is completed, it will be visited by the relevant Indonesian authority. Following this visit, the Indonesian government will issue the Verified Standard Certificate upon completion of the verification process by the relevant authority.

The completion of the construction of the New Indonesia Plant is expected to be in the last quarter of 2025, and thereafter, PT Zhongbu Resins will proceed to obtain the Verified Standard Certificate, which is targeted to be obtained by end 2025.

(b) Certificate of Functional Worthiness (*Sertifikat Laik Fungsi* or "SLF")

An SLF is a certificate given by the Regional Government to declare the function-worthiness of a building before it can be utilised. Please see the section entitled "Government Regulations – Indonesia Laws and Regulations – Regulations Affecting the Construction of the New Indonesia Plant" of this Offer Document for more information. Prior to commencement of the commercial operations of the New Indonesia Plant, PT Zhongbu Resins is required to obtain the SLF. The SLF is targeted to be obtained by end 2025 before trial production at the New Indonesian Plant, which is expected to commence by end 2025.

While PT Zhongbu Resins endeavours to complete the construction of the New Indonesian Plant by the last quarter of 2025, and obtain the Verified Standard Certificate and SLF by end of 2025, we may face delay in completing the above. Please refer to the section entitled "Risk Factors – Risks relating to our industry and business – We may face a lower return, or delay in getting a return on our capital investments" of this Offer Document for details of the related risks in such event.

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SALES AND MARKETING

We have sales, marketing and technical services teams mainly in Vietnam, Indonesia, PRC, Cambodia and Bangladesh. These teams are responsible for sales and marketing of our brands and products, providing technical sales support for our major customers and liaising with distributors. Please refer to the section entitled “Directors, Executive Officers and Staff – Staff – Number of Employees” for details of our sales, marketing and technical services team.

Our Executive Director, Mr. Stephen Graham Prince, is also our director of business and marketing, who oversees the sales and marketing functions of our Group, including engagement with international brands who may nominate footwear adhesives suppliers to the footwear manufacturers.

Our sales, marketing and technical sales teams comprise members with different strengths, including (i) promotion of our in-house brands of adhesives, and ability to explain our adhesives’ performance, quality and service provided by our Group; (ii) facilitate customisation of specific adhesives/primers for our customers, which is a key factor as the athletic footwear industry is always innovating in terms of aesthetic design, performance, materials used (including sustainable and environmentally friendly materials); and (iii) trouble-shooting and resolution of any issues encountered at the production site of our customers (as application of adhesives, and the bonding of materials, is a key process in footwear manufacturing, technical know-how to resolve issues, whether related to adhesives or otherwise, is important to footwear manufacturers). Our sales, marketing and technical sales team, being close to our customers, also act as a key communication channel between our customers and our research and development team, conveying not only feedback on production challenges but also potential needs or concepts where customers may benefit from collaborative input in identifying suitable adhesive or material solutions.

We operate our business in Bangladesh through local distributors with the current distributorship agreements entered into in 2017 (collectively, “**Distributorship Agreements**”). The local distributors are unrelated third parties to our Group. The distributors are authorised to distribute our Group’s products within the local footwear industry in Bangladesh and are permitted to use certain of our Group’s trademarks. Each of the Distributorship Agreements are automatically renewed for 1 year period unless terminated by either party giving 90 days’ notice. Each of the distributors agrees not to manufacture, sell, or represent any competing products with similar functions during the contract term and for one year after termination. The parties to the Distributorship Agreements have also agreed to confidentiality obligations. We are not materially dependent on any of these local distributors.

MAJOR CUSTOMERS

Our customers are typically footwear manufacturers, with whom we have long-term steady relationships, including over 30 years of relationship with our largest customer. Based on the existing practice of the footwear manufacturing industry, footwear manufacturers are required to purchase their production materials from designated suppliers who are recognised and/or approved by their respective customers. Recognition by international brands imply that the identities of footwear adhesive suppliers are made known to, and accepted, by the international brands. Our Group is one of the footwear adhesives suppliers recognised by more than 15 international brands, who are the customers of the footwear manufacturers.

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The following table sets out the customers which accounted for five per cent (5.0%) or more of the total revenue during each of the financial years for the Period Under Review:

Customer	Products Supplied	Location	As a percentage of total revenue (%)			
			FY2022	FY2023	FY2024	6M2025
<i>Customer A</i> ⁽¹⁾	Adhesives, primers, hardeners and treatment agents used in the production of footwear	Vietnam, Indonesia, Bangladesh, Cambodia, PRC	23.8	21.7	21.4	19.4
<i>Customer B</i> ⁽²⁾	Adhesives, primers, hardeners and treatment agents used in the production of footwear	Cambodia, PRC, Vietnam	9.9	7.9	6.1	6.4
<i>Customer C</i> ⁽³⁾	Adhesives for automakers	PRC	6.0	7.5	8.8	8.7

Notes:

- (1) *Customer A* is a publicly listed footwear manufacturing group headquartered in Taiwan, with global operations primarily focused on the production of athletic and casual footwear for major international brands. Identity of *Customer A* is not disclosed due to confidentiality agreement.
- (2) *Customer B* is a publicly listed footwear manufacturing group headquartered in Taiwan, with production facilities across Asia, focused on athletic and professional outdoor footwear supplied to global brand customers. Identity of *Customer B* is not disclosed due to commercial sensitivity, in particular as competitors may infer our share of business with *Customer B*, relative to their own, and be more aggressive to gain a larger share of business with *Customer B*.
- (3) *Customer C* is a privately held global group headquartered in Japan, with diversified operations across oral care, health and beauty, and industrial sectors (including automotive). Identity of *Customer C* is not disclosed due to confidentiality agreement. *Customer C* is also *Supplier C*. Please refer to explanation under the following section entitled "Major Suppliers".

As seen in the table above, two out of the three major customers are footwear manufacturers, and the footwear industry is our key industry segment. With respect to our reliance on *Customer A*, it is the nature of athletic footwear industry that manufacturing for international brands is dominated by a few major players and *Customer A* is a global leader in the manufacture of athletic/outdoor and casual footwear, supplying to international brands. Notwithstanding the reliance on *Customer A*, our Group currently has a list of approximately 200 individual customers in the footwear industry. In addition, our adhesives are not limited to footwear applications, as they can also be used in other industries such as furniture and renovation, as well as automotive. The ability to expand into these alternative industries, coupled with opportunities to grow business with other existing customers in the footwear industry, provides diversification avenues. Further, our Group maintains adequate internal financial resources to support such transitions in the event of a loss of a major customer. Collectively, these factors help to mitigate the risk of customer concentration. We do not enter into long-term agreements with our customers as our customers place sales orders from time to time. To the best of our Directors' knowledge and belief, as at the Latest Practicable Date, we are not aware of any information or arrangement, which would lead to a cessation or termination of our relationship with any of our major customers.

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None of the Directors, Executive Officers, or any Shareholders (which, to the knowledge of the Directors, owns more than 5% of the shares of the Company) and their respective associates had any interests in our major customers. To the best of our Directors' knowledge and belief, there are no arrangements or understandings with any customers pursuant to which any of our Directors and Executive Officers were appointed.

MAJOR SUPPLIERS

Our suppliers are mainly raw material manufacturers and distributors.

The following are the suppliers which each accounted for 5.0% or more of our purchases during the Period Under Review:

Supplier	Product/Service Supplied	Location	As a percentage of purchases (%)			
			FY2022	FY2023	FY2024	6M2025
<i>Supplier A</i> ⁽¹⁾	Water-based resin used for footwear adhesives	PRC, Hong Kong	10.2	9.7	9.6	11.6
<i>Supplier B</i> ⁽²⁾	Solvents used for footwear adhesives	Vietnam, Hong Kong	8.2	7.6	12.5	11.6
<i>Supplier C</i> ⁽³⁾	Binder materials used for automobile adhesives	PRC	7.2	12.5	14.3	14.2
<i>Supplier D</i> ⁽⁴⁾	Polyester polyol and isocyanate used for footwear adhesives	Taiwan	9.3	4.2	7.0	5.4
<i>Supplier E</i> ⁽⁵⁾	Packaging materials and hardener ingredients for footwear adhesives	PRC	4.6	3.9	6.7	8.2
<i>Supplier F</i> ⁽⁶⁾	Solvents used for footwear adhesives	Vietnam	5.1	4.1	2.9	3.8
<i>Supplier G</i> ⁽⁷⁾	Solvents used for footwear adhesives	Vietnam	5.1	4.0	2.3	3.1

Notes:

- (1) *Supplier A* is a global, publicly listed materials manufacturer headquartered in Germany, specialising in high-performance polymers, coatings, and chemical solutions for diverse industries worldwide. Identity of *Supplier A* is not disclosed due to confidentiality agreement.
- (2) *Supplier B* is a Hong Kong-based chemical distributor with regional offices in Asia, specialising in a broad range of industrial solvents, resins, and specialty chemicals for applications in adhesives, coatings, and plastics. Identity of *Supplier B* is not disclosed due to commercial sensitivity, in particular as competitors may approach the supplier for the same materials and result in our Group competing for such materials, which may lead to higher prices or lower volume for us if the supplier is unable to meet the increased orders it receives.
- (3) *Supplier C* (who is also *Customer C*) is a privately held global group headquartered in Japan, with diversified operations across oral care, health and beauty, and industrial sectors (including automotive). Identity of *Supplier C* is not disclosed due to confidentiality agreement. This is both a customer and a supplier of our Group, as it supplies chemicals that are used for the production of automobile adhesives (which are in turn sold to them). Such arrangement allows the outsourcing of the processing of certain adhesives to our Group, which does not compete in the same industry as *Customer C/Supplier C*.

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- (4) *Supplier D* is a Taiwanese chemical distributor, specialising in the import and wholesale of industrial chemicals, including solvents, additives, and resins, serving various manufacturing sectors across Asia. Identity of *Supplier D* is not disclosed due to commercial sensitivity, in particular as competitors may approach the supplier for the same materials and result in our Group competing for such materials, which may lead to higher prices or lower volume for us if the supplier is unable to meet the increased orders it receives.
- (5) *Supplier E* is a privately held import/export company headquartered in Guangzhou, PRC, specialising in import and export of different sectors, including electronic components and chemicals. Identity of *Supplier E* is not disclosed due to confidentiality agreement.
- (6) *Supplier F* is a privately held chemical trading and distribution company headquartered in Ho Chi Minh City, Vietnam, specialising in industrial and agricultural chemicals. Identity of *Supplier F* is not disclosed due to commercial sensitivity, in particular as competitors may approach the supplier for the same materials and result in our Group competing for such materials, which may lead to higher prices or lower volume for us if the supplier is unable to meet the increased orders it receives.
- (7) *Supplier G* is member of a publicly listed group, and specialises in the import, distribution, and technical services of industrial solvents, resins, and chemical intermediates. Identity of *Supplier G* is not disclosed due to commercial sensitivity, in particular as competitors may approach the supplier for the same materials and result in our Group competing for such materials, which may lead to higher prices or lower volume for us if the supplier is unable to meet the increased orders it receives.

As seen in the table above, six (6) out of seven (7) major suppliers supply raw materials to our Group used for the production of footwear adhesives. To the best of our Directors' knowledge and belief, as at the Latest Practicable Date, we are not aware of any information or arrangement, which would lead to a cessation or termination of our relationship with any of our major suppliers.

None of the Directors, Executive Officers or any Shareholders (which, to the knowledge of the Directors, owns more than 5% of the shares of the Company) and their respective associates, had any interests in our major suppliers. To the best of our Directors' knowledge and belief, there are no arrangements or understandings with any suppliers pursuant to which any of our Directors and Executive Officers were appointed.

CREDIT POLICY

Credit Terms to our Customers

Our Group generally grants a credit period of 30 days to 120 days, and credit evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted.

We will monitor and follow up on the payment status of each customer through the combined efforts of the sales, marketing and technical services team and the accounts department. Generally, the sales, marketing and technical services team will collect feedback from the accounts department and assess each customer's payment record and value of historical transactions. In addition, the sales, marketing and technical services team usually visits the customers regularly for better understanding of the operation, production utilisation and financial status of the customers and reports back to the accounts department. Allowances for trade and bills receivables are made based on expected loss rate as stated in Note 6 to the "Independent Auditor's Report and the Audited Consolidated Financial Statements for the Financial Years ended 30 September 2022, 2023 and 2024" as set out in Appendix A of this Offer Document.

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Our average trade and bills receivables' turnover days for the Period Under Review were as follows:

	FY2022	FY2023	FY2024	6M2025
Average trade and bills receivables' turnover days ⁽¹⁾	88	113	92	89

Note:

(1) The average trade receivables' turnover days for FY2022, FY2023, FY2024 and 6M2025 are calculated based on the average of opening and closing trade and bills receivables balance (net of allowances) divided by revenue for the relevant year/period, and multiplied by the number of days in the relevant year or period, being 365 days or 182.5 days.

The average trade and bills receivables turnover days are 88 days, 113 days, 92 days and 89 days for FY2022, FY2023, FY2024 and 6M2025 respectively, within the credit terms of 30 to 120 days. Allowance for doubtful debts was approximately 6.5%, 9.9%, 9.8% and 12.0% of gross trade and bills receivables as at 30 September 2022, 2023, 2024 and 31 March 2025 respectively, and approximately 82.9%, 80.3%, 88.8% and 81.4% of net trade and bills receivables are within 90 days from invoice date. During the Period under Review, no bad debts were written off, other than approximately HK\$2.6 million of loss allowances was written off in FY2022. None of the bad debts that were written off related to debts owing by our major customers, and as at the Latest Practicable Date, our Group had discontinued dealings with these customers

Our trade and bills receivables as at 31 March 2025 amounted to approximately HK\$190.0 million, of which all has been collected as at the Latest Practicable Date. The ageing schedule for our net trade and bills receivables, based on invoice date, as at 31 March 2025 was as follows:

Age of trade and bills receivables	Percentage of net trade and bills receivables (%)
0 to 90 days	81.4
91 to 180 days	17.6
181 to 365 days	1.0

Credit Terms from our Suppliers

Our Group generally receives credit terms ranging from 30 to 90 days from our suppliers.

Our average trade and bills payables' turnover days for the Period Under Review were as follows:

	FY2022	FY2023	FY2024	6M2025
Average trade and bills payables' turnover days ⁽¹⁾	25	38	37	35

Note:

(1) The average trade and bills payables' turnover days for FY2022, FY2023, FY2024 and 6M2025 are calculated based on the average of opening and closing trade and bills payables balance divided by cost of sales for the relevant year/period, and multiplied by the number of days in the relevant year or period, being 365 days or 182.5 days.

The average trade and bills payables turnover days are 25 days, 38 days, 37 days and 35 days for FY2022, FY2023, FY2024 and 6M2025 respectively, broadly within the credit terms of 30 to 90 days.

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INVENTORY

Our inventories comprise of raw materials and finished goods and stated at lower of cost and net realisable value. Allowances for slow-moving inventories are made based on the ageing and estimated net realisable value of inventories. Our Group controls the inventory level through collecting the information on the estimated purchase amount from the customers on a monthly basis to plan the production schedule. As at 31 March 2025, our inventories comprised approximately 9.0% of our total assets.

Our average inventory turnover days for the Period Under Review were as follows:

	FY2022	FY2023	FY2024	6M2025
Average inventory turnover days ⁽¹⁾	65	70	48	52

Note:

(1) The average inventory turnover days for FY2022, FY2023, FY2024 and 6M2025 are calculated based on the average of opening and closing inventory balance divided by cost of sales for the relevant year/period, and multiplied by the number of days in the relevant year or period, being 365 days or 182.5 days.

The average inventory turnover days are 65 days, 70 days, 48 days and 52 days for FY2022, FY2023, FY2024 and 6M2025 respectively, relatively stable during the Period Under Review and lower for FY2024 and 6M2025 as our Group has engaged in effective inventory management practices and performed regular review on the maintenance of inventory levels.

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PROPERTIES AND FIXED ASSETS

Properties

As at the Latest Practicable Date, our Group owns the following properties:

Owner	Location	Tenure	Approximate gross area	Usage	Encumbrances
Zhuhai Centresin	No. 836 Nancheng West Road, Nanshui Town, Jinwan District, Zhuhai City (珠海市金湾区南水镇南城西路836号)	State-owned land use rights: Until 27 April 2053 Self-owned building constructed on the land: Perpetual	33,333.6 m ²	Production Plant and Office	NIL
Zhuhai Centresin	Factory 2, No. 836 Nancheng West Road, Nanshui Town, Jinwan District, Zhuhai City (珠海市金湾区南水镇南城西路836号厂房2)	State-owned land use rights: Until 28 April 2053 Self-owned building constructed on the land: Perpetual	739.85 m ²	Production Plant	NIL
Zhuhai Centresin	Warehouse 3, No. 836, Nancheng West Road, Nanshui Town, Gaolangang Economic Zone, Zhuhai City (珠海市高栏港经济区南水镇南城西路836号仓库3)	State-owned land use rights: Until 28 April 2053 Self-owned building constructed on the land: Perpetual	740.00 m ²	Warehouse	NIL
Zhuhai Centresin	Building 10, No. 836 Nancheng West Road, Nanshui Town, Jinwan District, Zhuhai City (珠海市金湾区南水镇南城西路836号10栋)	State-owned land use rights: Until 27 April 2053 Self-owned building constructed on the land: Perpetual	650.96 m ²	Production Plant	NIL

GENERAL INFORMATION ON OUR GROUP

Owner	Location	Tenure	Approximate gross area	Usage	Encumbrances
Zhuhai Centresin	Factory 1, No. 836 Nancheng West Road, Nanshui Town, Jinwan District, Zhuhai City (珠海市金湾区南水镇南城西路836号厂房1)	State-owned land use rights: Until 27 April 2053 Self-owned building constructed on the land: Perpetual	819.30 m ²	Production Plant	NIL
Zhuhai Centresin	Warehouse 1, No. 836 Nancheng West Road, Nanshui Town, Jinwan District, Zhuhai City (珠海市金湾区南水镇南城西路836号仓库1)	State-owned land use rights: Until 27 April 2053 Self-owned building constructed on the land: Perpetual	1,286.05 m ²	Warehouse	NIL
Zhuhai Centresin	Warehouse 2, No. 836 Nancheng West Road, Nanshui Town, Jinwan District, Zhuhai City (珠海市金湾区南水镇南城西路836号仓库2)	State-owned land use rights: Until 27 April 2053 Self-owned building constructed on the land: Perpetual	1,286.05 m ²	Warehouse	NIL
Zhuhai Centresin	Office building, No. 836 Nancheng West Road, Nanshui Town, Jinwan District, Zhuhai City (珠海市金湾区南水镇南城西路836号办公楼)	State-owned land use rights: Until 27 April 2053 Self-owned building constructed on the land: Perpetual	1,395.83 m ²	Office	NIL

GENERAL INFORMATION ON OUR GROUP

Owner	Location	Tenure	Approximate gross area	Usage	Encumbrances
Zhuhai Centresin	Security office, No. 836 Nancheng West Road, Nanshui Town, Jinwan District, Zhuhai City (珠海市金湾区南水镇南城西路836号保安室)	State-owned land use rights: Until 27 April 2053 Self-owned building constructed on the land: Perpetual	26.85 m ²	Office	NIL
Zhuhai Centresin	Power distribution room, No. 836 Nancheng West Road, Nanshui Town, Jinwan District, Zhuhai City (珠海市金湾区南水镇南城西路836号配电室)	State-owned land use rights: Until 27 April 2053 Self-owned building constructed on the land: Perpetual	119.18 m ²	Production Plant	NIL
PT Zhongbu Resins	JL.Indraprasta no. 34 blok.ki kendal no. 34 Wonorejo Village Kaliwungu District kab. Kendal Regency, Central Java Province, Jakarta	Leasehold (until 22 April 2046)	Land area: 36,509 m ² Building area: 11,882 m ²	Production plant	NIL
lao Son Hong Paint Company	Alameda Dr. Carlos D' Assumpção n.º 623, Finance Centre, basement level 1, 2 and 3	Perpetual	1/231 of 7,759.78 m ²	Parking Space	NIL

GENERAL INFORMATION ON OUR GROUP

Owner	Location	Tenure	Approximate gross area	Usage	Encumbrances
Zhong Bu Vietnam	Dai Dang Industrial Zone, Binh Duong Ward, Ho Chi Minh City, Vietnam (formerly known as: Industrial Zone (KCN) Dai Dang, Phu Tan Ward, Thu Dau Mot City, Binh Duong Province, Vietnam)	Leasehold (until 18 October 2055)	Land area: 34,107.1 m ² Construction area: (i) Office building (1,118.1m ²); (ii) Raw material warehouse – factory (1,950m ²); (iii) Finished product warehouse (1,660m ²); (iv) Mid-shift motel (475.7m ²); (v) Security office (46.3m ²); (vi) Functional house (187.2m ²); (vii) Silo storage tank, (988.8m ²); (viii) Office Building (360m ²); (ix) Finished product warehouse No. 2 (1,794m ²)	Production plant	NIL

GENERAL INFORMATION ON OUR GROUP

As at the Latest Practicable Date, our Group leases the following properties:

Tenant/Lessee	Lessor	Location	Tenure	Approximate gross area	Usage
Zhuhai Centresin	广州海纳检测科技有限公司	No. 413-415, Building A01, No. 78-3 Luntou Road, Haizhu District, Guangzhou City, Guangdong Province, PRC	5 years from 1 April 2024 to 31 March 2029	496.75 m ²	Office and laboratory
Zhuhai Centresin	广州海纳检测科技有限公司	No. 301-1, 301-2, Building A04, No. 78-3 Luntou Road, Haizhu District, Guangzhou City, Guangdong Province	5 years from 1 April 2024 to 31 March 2029	594.95 m ²	Office and research and development
Star Grand	Soo Ying Pooi	Office A & B on the 22nd Floor of Alliance Building, Nos. 130-136 Connaught Road, Central, Hong Kong	2 years from 3 June 2025 to 2 June 2027	139.54 m ²	Office
Iao Son Hong Paint Company	Sap Pat Fat Limitada	Rua de Pequim n.º 202-A~246, Alameda Dr. Carlos D' Assumpção n.º 619-A~627, Finance Centre, Floor 16 Room A	6 years from 29 December 2021 to 28 December 2027	140.01 m ²	Office
Iao Son Hong Paint Company	Sap Kao Fat Limitada	Rua de Pequim n.º 202-A~246, Alameda Dr. Carlos D' Assumpção n.º 619-A~627, Finance Centre, Floor 16 Room B	6 years from 29 December 2021 to 28 December 2027	86.40 m ²	Office
Iao Son Hong Paint Company	I Sap Fat Limitada	Rua de Pequim n.º 202-A~246, Alameda Dr. Carlos D' Assumpção n.º 619-A~627, Finance Centre, Floor 16 Room C	6 years from 29 December 2021 to 28 December 2027	93.86 m ²	Office

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Tenant/Lessee	Lessor	Location	Tenure	Approximate gross area	Usage
Iao Son Hong Paint Company	I Sap Fat Limitada	Rua de Pequim n.º 202-A~246, Alameda Dr. Carlos D' Assumpção n.º 619-A~627, Finance Centre, Floor 16 Room D	6 years from 29 December 2021 to 28 December 2027	43.26 m ²	Office
Iao Son Hong Paint Company	Sam Sap lat Fat Limitada	Rua de Pequim n.º 202-A~246, Alameda Dr. Carlos D' Assumpção n.º 619-A~627, Finance Centre, Floor 16 Room M	6 years from 29 December 2021 to 28 December 2027	64.00 m ²	Office
Iao Son Hong Paint Company	Sam Sap I Fat Limitada	Rua de Pequim n.º 202-A~246, Alameda Dr. Carlos D' Assumpção n.º 619-A~627, Finance Centre, Floor 16 Room N	6 years from 29 December 2021 to 28 December 2027	62.30 m ²	Office
Iao Son Hong Paint Company	Sam Sap Fat Limitada	Rua de Pequim n.º 202-A~246, Alameda Dr. Carlos D' Assumpção n.º 619-A~627, Finance Centre, Floor 16 Room L	6 years from 29 December 2021 to 28 December 2027	65.57 m ²	Office
Iao Son Hong Paint Company	Macau Dasin Metroplaza Commercial MGT Co., Ltd.	Rua de Pequim n.º 246, Finance Centre, basement level B2, parking space no. 7	Commencement on 1 December 2017 for an indefinite period and subject to automatic renewal, unless terminated by either party in writing with at least 30 days' notice	1/231 of 7,759.78 m ²	Parking Space
Iao Son Hong Paint Company	Macau Dasin Metroplaza Commercial MGT Co., Ltd.	Rua de Pequim n.º 246, Finance Centre, basement level B2, parking space no. 55	Commencement on 1 June 2017 for an indefinite period and subject to automatic renewal, unless terminated by either party in writing with at least 30 days' notice	1/231 of 7,759.78 m ²	Parking Space

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Tenant/Lessee	Lessor	Location	Tenure	Approximate gross area	Usage
Iao Son Hong Paint Company	黄莹 (Huang Yun)	Rua de Pequim n.º 246, Finance Centre, basement level B3, parking space no. L13	28 February 2025 to 28 February 2026	1/231 of 7,759.78 m ²	Parking Space
Zhong Bu Singapore	Fragrance Regal Pte. Ltd.	456, Alexandra Road, #04-03, Fragrance Empire Building, Singapore 119962	1 March 2025 to 28 February 2027	91.974 m ²	Office
PT Zhong Bu Adhesive	Ester Sukmawati	Jalan Industri Raya I D/6, Pasir Jaya Sub-district, Jatiuwung District, Tangerang Regency, Banten Province	8 years from 15 July 2022 to 15 July 2030	5,000 m ²	Production plant/ warehouse/ office
Bangladesh Liaison Office	Imtiaz Bin Musa	Flat # C-02, Plot 15/C, House 14/1, Road # 5, North Khulshi, P.O.-Khulshi, Khulshi, Chattogram-4209	From 1 July 2024 to 30 June 2026	282.42 m ²	Office
Zhong Bu Development India Private Limited	Phoenix Kothari Footwear Limited	Plot No B-20, SICOT-Phoenix Kothari Footwear Park, Erailur, Perambalur, Tamil Nadu, India	30 years from 24 May 2024 to 24 May 2054	8.78 acres (approximately 35,531.4 m ²)	Office

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Tenant/Lessee	Lessor	Location	Tenure	Approximate gross area	Usage
Huu Tin Hang	Doan Thi Hoang An	No. 288 Nguyen Van Troi Street, Phu Loi Ward, Ho Chi Minh City, Vietnam (formerly known as: "No. 228 Nguyen Van Troi Street, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province, Vietnam" and "No. 588 Pham Ngu Lao Extended Street, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province, Vietnam"),	1 July 2016 to 31 December 2026	30m ²	Office
Zhong Bu Vietnam	Minh Thai Company Limited	9th Floor, Minh Thai Building, No. 248 Nguyen Luong Bang Street, Le Thanh Nghi Ward, Hai Phong City, Vietnam (formerly known as: Floor 09, Leasing Office and Commercial Center Building, 248 Nguyen Luong Bang Street, Thanh Binh Ward, Hai Duong City, Hai Duong Province, Vietnam)	1 year, from 1 September 2025 to 31 August 2026	200 m ²	Office
Zhong Bu (Centresin), Taiwan representative office	良韋有限公司 (Liang Wei Co., Ltd.)	7F.-5, No. 936, Sec. 4, Taiwan Blvd., Xitun Dist., Taichung City, Taiwan	1 April 2025 to 31 March 2026	206.5 m ²	Office and parking spaces

None of the lessors set out in the table above are related directly or indirectly to our Directors, Executive Officers, Substantial Shareholders and/or their respective Associates.

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Save for No. 413-415, Building A01, No. 78-3 Luntou Road, Haizhu District, Guangzhou City, Guangdong Province, PRC; No. 301-1, 301-2; Building A04, No. 78-3 Luntou Road, Haizhu District, Guangzhou City, Guangdong Province; No. 288 Nguyen Van Troi Street, Phu Loi Ward, Ho Chi Minh City, Vietnam; 9th Floor, Minh Thai Building, No. 248 Nguyen Luong Bang Street, Le Thanh Nghi Ward, Hai Phong City, Vietnam; 456, Alexandra Road, #04-03, Fragrance Empire Building, Singapore 119962; Flat # C-02, Plot 15/C, House 14/1, Road # 5, North Khuishi, P.O.-Khuishi, Chattogram-4209; Rua de Pequim n.º 246, Finance Centre, basement level B2, parking space no. 7; Rua de Pequim n.º 246, Finance Centre, basement level B2, parking space no. 55; Rua de Pequim n.º 246, Finance Centre, basement level B3, parking space no. L13; and Office A & B on the 22nd Floor of Alliance Building, Nos. 130-136 Connaught Road, Central, Hong Kong, none of our leases may be unilaterally terminated by the lessor.

Our Directors are of the view that any unilateral termination by any lessor is unlikely to have a material impact on our Group's business or operations as we believe that we will be able to secure leases and licenses for alternative premises in such event. As at the Latest Practicable Date, our Directors are not aware of any existing breach of any of the terms and conditions of, or any obligations under our lease agreements that would result in the termination by the lessors.

As at the Latest Practicable Date, our Group leases the following properties to third parties:

Lessor	Lessee	Location	Tenure	Approximate Gross Area (sq m)	Usage
lao Son Hong Paint Company Limited	Loksophy Design Limited	Rua de Pequim n.º 202-A~246, Alameda Dr. Carlos D' Assumpção n.º 619-A~627, Finance Centre, Floor 16 Room L	15 September 2022 to 11 November 2027	65.57 m ²	Office purposes

The lessee set out in the table above is not related directly or indirectly to our Directors, Executive Officers, Substantial Shareholders and/or their respective Associates.

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Other Fixed Assets

As at 31 March 2025, we had fixed assets comprising furniture, fixtures and equipment, plant and machinery, leasehold improvements, construction in progress and motor vehicles, which amounted to an aggregate carrying amount of approximately HK\$48.6 million. Please refer to Appendix A and Appendix B of this Offer Document for further information on our fixed assets.

To the best of our Directors' knowledge, save for the licences, permits, registrations and approvals as set out in the section entitled "General Information on our Group – Material Licences, Permits, Registrations and Approvals" of this Offer Document, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties and fixed assets.

QUALITY ASSURANCE AND QUALITY CONTROL

We believe that our brand and success is built on our provision of consistent quality of products and therefore quality assurance is a key area of focus for our Group. The main measurement tool used by our Group to assess the quality level of our products is through quality assurance guidelines. As our manufacturing processes involve chemicals, we are committed to complying with local rules and regulations on product safety, and protecting consumers' health on using our products. In accordance with ISO 9001:2015 and ISO 14001:2015 requirements, our Group has in place stringent operating procedures to ensure quality checks and inspections during the manufacturing process. Products which do not meet the requisite standards must be handled according to our Group's established operating procedures.

As at the Latest Practicable Date, our Group had 15 quality control staff working with different departments of our Group to ensure that the quality control processes are properly implemented.

Our Group generally focuses its quality control efforts on the following critical stages of the production process set out below, to ensure that the quality is strictly monitored before being transported to the next production process. Where products fail to meet requisite standards, inspectors complete a material inspection report and begin the process of product removal.

Procurement

The procurement department of our Group purchases the raw materials from qualified suppliers only. The suppliers provided the sample to the research and development team and quality assurance team for testing. After the quality is confirmed as acceptable, the pilot test will be performed. The suppliers will be qualified after satisfying the aforesaid testing. The procurement department will place the orders in accordance with the factors regarding the quality, cost and services from suppliers. Upon the arrival of the raw materials, the quality assurance department conducts tests on sampling basis to ensure the quality of each purchase of the raw materials. Our Group performs the assessments on the qualified suppliers regularly in accordance with, among other factors, the capabilities of research and development, quality, supply stability and service qualities. The qualified suppliers' list will be updated regularly according to the results of the assessments.

Research and development

Our sales, marketing and technical services team visits the customers regularly and understands the demand of customers. Our Group's research and development team works closely with the sales, marketing and technical services team to ensure that new products meet quality assurance

GENERAL INFORMATION ON OUR GROUP

standards, as well as customers' needs and market trends (including on footwear materials), bearing in mind our Group's dedication to environmental protection.

Production

During the production process, our quality control team conducts quality control tests after each production stage, in order to ascertain the quality of the semi-finished products and reliability at different stages during the production process.

Finished products

All of the finished products are tested on sampling basis. These tests include inspection of the external appearance of the products, application tests and chemical tests for the stability of the chemical products under different environmental conditions such as temperature and humidity. The sample of each finished product will be retained for long-term observation of stability or other research purposes.

AWARDS, ACCREDITATIONS AND GRANTS

Recent awards, accreditations and grants that our Group has received include the following:

- ISO 9001:2015 (for the development and manufacture of adhesives and primers, and manufacture of water-based adhesives), endorsed by SGS United Kingdom Ltd in 2023.
- ISO 14001:2015 (for the development and manufacture of adhesives and primers, and manufacture of water-based adhesives), endorsed by SGS United Kingdom Ltd in 2023.
- Certificate of Silver Award – Outstanding ESG Awards (Listed Company), awarded by the Institute of ESG & Benchmark in 2023.
- Certificate of SATRA Membership, endorsed by SATRA Technology in 2024.
- Top Performer Award awarded to us by an international athletic brand in 2023, for attaining ZDHC Manufacturing Restricted Substances List (“MRSL”) Compliance and Conformance Level 3 in Chemical Products (“**ZDHC MRSL Level 3 Certification**”).
- Significant Improvement Award awarded to us by an international athletic brand in 2023, for attaining ZDHC MRSL Level 3 Certification.
- Champion Award awarded to us by an international athletic brand in 2024, for attaining ZDHC MRSL Level 3 Certification.

The MRSL is published by ZDHC Foundation, which sets out a list of chemical substances banned from intentional use in the processing of, amongst other materials, adhesives used in industries such as the footwear industry. The MRSL approach is intended to protect consumers, workers, local communities and the environment from the possible impact of harmful chemicals.

ZDHC MRSL Level 3 Certification which we have attained is the highest level of conformance for chemical safety in manufacturing as recognised by ZDHC Foundation.

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RESEARCH AND DEVELOPMENT

Our Research and Development Efforts

Our Group is environmentally conscious and we are constantly striving to develop high-performance, sustainable adhesive products to meet demands of the market.

As at 31 March 2025, the research and development team of our Group comprises 20 staff, who are based primarily in the PRC and Vietnam. The research and development team members have strong academic backgrounds in chemistry and chemical engineering-related disciplines. Most of our key team members possess experience in developing water-based chemical products. The research and development process for new products include laboratory testing and on-site testing at production factories. After on-site testing, if the results meet the requirements set by the research and development team, they will be reported to the relevant sales team and pilot-scale testing of the product is conducted, taking into account factors such as odour, brush drying and adhesive lamination. When necessary, separate verification testing is conducted by the sales departments in different locations. If the products have passed all tests, the research and development team will assign a name to the new product, establish relevant engineering specifications and packaging standards and proceed to mass production and sales. The research and development team will collect feedback on the new products from customers. Where necessary, the product could undergo further improvement.

During the Period Under Review, our Group has invested the following amounts in research and development:

	FY2022	FY2023	FY2024	6M2025
Amount spent on research and development activities (HK\$'000)	3,644	3,438	3,404	2,145

The amounts spent on research and development activities constituted approximately 0.4%, 0.5%, 0.5% and 0.5% of our Group's net revenue during FY2022, FY2023, FY2024 and 6M2025 respectively.

Research and Development Collaborations

In addition to our internal research and development efforts, we have also collaborated with technical experts in Japan, Taiwan and Hong Kong and worked with a leading German chemical supplier in the development of specialty adhesives, including water-based formulations. Such collaborations enable our Group to strengthen our competence in research and development capabilities, so as to maintain our technological leading position in the industry. To ensure that we stay at the forefront of the industry and respond to the needs of the market, we intend to continue investing in our internal research and development work, and collaborating with international corporations to continuously enhance our capabilities through establishing new projects and working closely with senior technical experts in the industry. We hope to create learning and exchange opportunities in which our research and development team may enhance their own professional skills and abilities.


GENERAL INFORMATION ON OUR GROUP

INTELLECTUAL PROPERTY RIGHTS

We believe that our brands and trademarks are one of the key elements of the success of our business, and we depend on their increased recognition for the continuing success in branding and marketing our services to our customers. Save as disclosed in this Offer Document, our business or profitability is not materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process.

Registered Trademarks



As at the Latest Practicable Date, our Group owns the following trademarks which are material to our business. Trademarks registered by our Group in jurisdictions in which our brands or products have not been launched, in jurisdictions which are not the main jurisdictions in which our products are sold or in jurisdictions which are not the main base of our operations have not been included.

Trademark	Registered Proprietor	Class Code	Country of Registration	Expiry Date of Trade Mark	Trade Mark Number
	Zhong Bu (Centresin)	1 ⁽¹⁾	PRC	20 September 2032	1902596
	Zhong Bu (Centresin)	1 ⁽¹⁾	PRC	27 December 2031	8958746
	Zhong Bu (Centresin)	1 ⁽¹⁾ , 3 ⁽²⁾	Vietnam	18 February 2031	4-0195387-000
	Zhuhai Centresin	1 ⁽¹⁾	Cambodia	23 January 2028	KH/2018/69199
	Iao Son Hong Paint Company	1 ⁽¹⁾	India	12 February 2029	4084369
	Zhong Bu (Centresin)	1 ⁽¹⁾	PRC	27 January 2031	7951152
	Zhong Bu Vietnam	1 ⁽¹⁾ , 3 ⁽²⁾	Vietnam	22 December 2029	4-0169287-000
	Iao Son Hong Paint Company	1 ⁽¹⁾	Indonesia	3 November 2030	IDM000916066
	Iao Son Hong Paint Company	1 ⁽¹⁾	Bangladesh	17 January 2027	129343
	Iao Son Hong Paint Company	1 ⁽¹⁾	PRC	27 January 2031	7951123
	Zhong Bu Vietnam	1 ⁽¹⁾ , 3 ⁽²⁾	Vietnam	28 March 2026	4-0093881-000
	Iao Son Hong Paint Company	1 ⁽¹⁾	Indonesia	3 November 2030	IDM000916077
	Iao Son Hong Paint Company	1 ⁽¹⁾	PRC	27 July 2027	1062239

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Trademark	Registered Proprietor	Class Code	Country of Registration	Expiry Date of Trade Mark	Trade Mark Number
	lao Son Hong Paint Company	1 ⁽¹⁾	PRC	13 September 2027	1099853
	lao Son Hong Paint Company	1 ⁽¹⁾	PRC	13 November 2027	1126200
	lao Son Hong Paint Company	1 ⁽¹⁾	PRC	27 March 2031	6785532
	lao Son Hong Paint Company	1 ⁽¹⁾	PRC	27 January 2031	7951102
	lao Son Hong Paint Company	1 ⁽¹⁾	Indonesia	3 November 2030	IDM000916078
	Zhong Bu Vietnam	1 ⁽¹⁾ , 3 ⁽²⁾	Vietnam	22 December 2029	4-0162379-000
	lao Son Hong Paint Company	1 ⁽¹⁾	Indonesia	3 November 2030	IDM000916076
	lao Son Hong Paint Company	1 ⁽¹⁾	Bangladesh	17 January 2027	129345
	lao Son Hong Paint Company	1 ⁽¹⁾	PRC	20 April 2031	8208828
	lao Son Hong Paint Company	1 ⁽¹⁾	Hong Kong	12 April 2030	301585251
	lao Son Hong Paint Company	1 ⁽¹⁾	PRC	27 August 2030	42709671
	lao Son Hong Paint Company	1 ⁽¹⁾	Hong Kong	13 November 2029	305113089
	lao Son Hong Paint Company	1 ⁽¹⁾	Hong Kong	13 November 2029	305113070
	lao Son Hong Paint Company	1 ⁽¹⁾	Vietnam	24 January 2029	4-0381927-000
	lao Son Hong Paint Company	1 ⁽¹⁾	Indonesia	24 January 2029	IDM000832680
	lao Son Hong Paint Company	1 ⁽¹⁾	PRC	6 December 2033	11162788
	lao Son Hong Paint Company	1 ⁽¹⁾	PRC	20 November 2033	11162835
	Zhong Bu Vietnam	1 ⁽¹⁾ , 3 ⁽²⁾	Vietnam	9 April 2033	4-0230547-000
	lao Son Hong Paint Company	1 ⁽¹⁾	India	12 February 2029	4084370

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Trademark	Registered Proprietor	Class Code	Country of Registration	Expiry Date of Trade Mark	Trade Mark Number
	Iao Son Hong Paint Company	1 ⁽¹⁾	PRC	27 January 2034	11162860
	Iao Son Hong Paint Company	1 ⁽¹⁾	PRC	20 November 2033	11162905

Notes:

- (1) Class 1: Chemicals for use in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; fire extinguishing and fire prevention compositions; tempering and soldering preparations; substances for tanning animal skins and hides; adhesives for use in industry; putties and other paste fillers; compost, manures, fertilizers; biological preparations for use in industry and science.
- (2) Class 3: Non-medicated cosmetics and toiletry preparations; non-medicated dentifrices; perfumery, essential oils; bleaching preparations and other substances for laundry use; cleaning, polishing and abrasive preparations.

Registered Patents

As at the Latest Practicable Date, our Group owns the following patents which are material to our business. Patents registered by our Group in jurisdictions in which our brands or products have not been launched, in jurisdictions which are not the main jurisdictions in which our products are sold, or in jurisdictions which are not the main base of our operations have not been included. We will renew the below registrations closer to the respective expiry dates and barring any unforeseen circumstances, we expect to be able to do so successfully.

Patent Name/Description	Registered Proprietor	Date of Protection	Date of Application	Expiry Date/Duration of Protection	Country of Registration	Patent Number
A Kind of Universal Hardener for Shoe Vulcanized Aqueous Rubber and Its Preparation (Invention Patent)	Zhuhai Centresin	24 July 2018	9 September 2016	20 years from date of application expiring on 9 September 2036	PRC	ZL2016610814514.X
A Treatment Agent for EVA Shoe Material (Invention Patent)	Zhuhai Centresin	23 October 2018	9 September 2016	20 years expiring on 9 September 2036	PRC	ZL201610814899.X
A Treatment Agent for EVA Shoe Material (Invention Patent)	Zhuhai Centresin	20 November 2018	9 September 2016	20 years expiring on 9 September 2036	PRC	ZL201610814898.5

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Patent Name/ Description	Registered Proprietor	Date of Protection	Date of Application	Expiry Date/ Duration of Protection	Country of Registration	Patent Number
A Waterborne Polyurethane Glue and Its Preparation (Invention Patent)	Zhuhai Centresin	12 July 2019	9 September 2016	20 years expiring on 9 September 2036	PRC	ZL 201610815452.4
A Device for Deep Dehydration of Organic Solvent (Utility Model Patent)	Zhuhai Centresin	18 October 2022	29 June 2022	10 years expiring on 29 June 2032	PRC	ZL202221655858.8
Rubber baking unit (Utility Model Patent)	Zhuhai Centresin	13 January 2023	22 July 2022	10 years expiring on 22 July 2032	PRC	ZL202221930741.6
An Acrylate Modified Polyurethane Adhesive and Its Preparation and Application (Invention Patent)	Zhuhai Centresin	31 January 2023	26 July 2022	20 years expiring on 26 July 2042	PRC	ZL 202210885132.1
Apparatus and method for testing the fluidity of adhesives (Invention Patent)	Zhuhai Centresin	25 July 2025	11 July 2022	20 years expiring on 25 July 2042	PRC	ZL 202210809609.8

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Application for Intellectual Property Rights

As at the Latest Practicable Date, Zhuhai Centresin, our subsidiary in the PRC, has applied for the following intellectual property rights:

Nature and description of Intellectual Property Right	Nature of application (dates, application numbers and place of application)	Status of application	Other remarks
Description: 一种粘合剂耐热性的测试方法 (Test method for heat resistance of adhesives) Nature: Invention Patent	Date: 20 March 2025 Place: the PRC Number: CN202510332221.7	Substantive examination	N/A
Name: 一种可生物降解的聚氨酯及其制备方法和应用、表面处理剂 (A kind of biodegradable polyurethane, its preparation and application, surface treating agent) Nature: Invention Patent	Date: 19 March 2025 Place: the PRC Number: CN202510326363.2	Substantive examination	N/A

There is no indication when the above applications will be granted. Should the above applications not be granted, or if there are any delays in obtaining approval for the above applications, our Group does not expect material adverse impact to our business, operations and financial results.



Intellectual Property Licences Granted to Third Parties

As at the Latest Practicable Date, we have granted our third-party distributors in Bangladesh licences to print and use the trademark “中部树脂” on business cards of the relevant staff handling certain of our products, and the right to print and use the term “business partner of “中部树脂” in Bangladesh” (or words to that effect) on their business cards. These rights granted to the distributors subsist for the term of the respective Distributorship Agreements (as described in the section entitled “General Information on our Group – Sales and Marketing” of this Offer Document) and shall terminate immediately upon the termination of the respective Distributorship Agreements.

GENERAL INFORMATION ON OUR GROUP

Intellectual Property Licences Granted to our Group

As at the Latest Practicable Date, our Group was granted licences to use the following trademarks:

Trademark	Registered Proprietor/ Licensee	Class Code	Country of Registration	License Term	License Filing Number
	No-Tape Industrial Co Ltd Licensee: lao Son Hong Paint Company Limited	1 ⁽²⁾	PRC	28 September 2022 – 27 September 2032	20230000025010
	No-Tape Industrial Co Ltd Licensee: lao Son Hong Paint Company Limited	1 ⁽²⁾	PRC	28 September 2022 – 27 September 2032	20230000025009

Save as disclosed above and in the sections entitled “General Information on our Group – Material Licences, Permits, Registrations and Approvals – Licences”, our Group does not own or use any trademark, patent or other intellectual property, or grant any other licence for use of such intellectual property to any third party which is material to our business or profitability.

STAFF TRAINING

We believe that the continued development of our employees is instrumental in maintaining our competitive edge, and in driving the growth and success of our Group. Our employees are given the opportunity to develop their technical skillsets through various training courses that are relevant to their respective job scopes. Our Human Resources department maintains a record of all relevant training received by our employees.

Some of the training programmes available to our staff include the following:

- New employee orientation training that is mandatory for all new staff, including an introduction to our Group, employee handbook, ISO4001 environmental management system, and 72 hours of safety training;
- External trainings in safety;
- Annual talks by experts on areas such as first aid, firefighting, chemical leakage and occupational hazards, safety and health; and
- Continuous professional trainings on our internal regulations, waste management, evacuation and fire drill training, restricted substances list training, personal protective equipment (PPE) training, and operation of machinery and occupational safety.

GENERAL INFORMATION ON OUR GROUP

During the Period Under Review, our staff training costs were not separately accounted for. Our Directors believe that such costs are not material.

MATERIAL LICENCES, PERMITS, REGISTRATIONS AND APPROVALS

In operating our business, we are required to obtain various licenses and permits under applicable laws and other approvals. See the “Government Regulation” section of this Offer Document for further details.

As at the Latest Practicable Date, our Group has the following licences, permits, registrations and approvals which are material to our business and operations:

Licence/permit/ registration/approval	Holder of licence/permit/ registration/ approval	Granting authority	Effective date	Expiry date
Business Licence (营业执照)	Zhuhai Centresin	Zhuhai Municipal Administration for Market Regulation ("Zhuhai AMR")	9 May 2017	Not specified
Business Licence (Guangzhou Branch) (营业执照)	Zhuhai Centresin	Guangzhou Municipal Market Supervision Administration	25 March 2025	Not specified
Safety Manufacturing Permit (安全生产许可证)	Zhuhai Centresin	Zhuhai Municipal Bureau of Emergency Management	1 April 2025	6 April 2028
Dangerous Chemicals Operating Permit (危险化学品经营许可证)	Zhuhai Centresin	Zhuhai Municipal Bureau of Emergency Management	17 June 2025	16 June 2028
Hazardous Chemical Registration Certificate (危险化学品登记证)	Zhuhai Centresin	Hazardous Chemicals Registration Office of Guangdong Province Chemicals Registration Centre of the Ministry of Emergency Management	22 October 2024	10 November 2027
Registration for the Use of Special Equipment (特种设备使用登记证) No. 车11粤CD0233 (19) Category: powered industrial trucks (机动工 业车辆)	Zhuhai Centresin	Zhuhai AMR	18 March 2019	Not specified
Registration for the Use of Special Equipment (特种设备使用登记证) No. 车11粤CD0234 (19) Category: powered industrial trucks (机动工 业车辆)	Zhuhai Centresin	Zhuhai AMR	18 March 2019	Not specified

GENERAL INFORMATION ON OUR GROUP

Licence/permit/ registration/approval	Holder of licence/permit/ registration/ approval	Granting authority	Effective date	Expiry date
Registration for the Use of Special Equipment (特种设备使用登记证) No. 厂内粤A46118 Category: powered industrial trucks (机动工业车辆)	Zhuhai Centresin	Zhuhai Municipal Bureau of Quality and Technical Supervision	26 March 2018	Not specified
Registration for the Use of Special Equipment (特种设备使用登记证) No. 厂内粤A46119 Category: powered industrial trucks (机动工业车辆)	Zhuhai Centresin	Zhuhai Municipal Bureau of Quality and Technical Supervision	26 March 2018	Not specified
Registration for the Use of Special Equipment (特种设备使用登记证) No. 管30粤CD0042(20) Category: process piping (工业管道)	Zhuhai Centresin	Zhuhai AMR	20 August 2020	Not specified
Registration Form for Filing of Emergency Plans for Production Safety Accidents in Production and Business Enterprises (生产经营单位生产安全事故应急预案备案登记表)	Zhuhai Centresin	Zhuhai Municipal Bureau of Emergency Management	22 August 2023	Not specified
Pollutant Discharge Permit (排污许可证)	Zhuhai Centresin	Zhuhai Municipal Bureau of Ecology and Environment	16 August 2023	15 August 2028
Permit for Discharge of Urban Wastewater into Drainage Network (城镇污水排入排水管网许可证)	Zhuhai Centresin	Bureau of Oceans and Agriculture, Administrative Committee (Nanshui Town) of Zhuhai Economic and Technological Development Zone (Gaolangang Economic Zone)	27 January 2021	26 January 2026
Filing Form of Emergency Plans for Environmental Emergencies (突发环境事件应急预案备案表)	Zhuhai Centresin	Jinwan Branch of the Zhuhai Municipal Bureau of Ecology and Environment	8 October 2023	Not specified

GENERAL INFORMATION ON OUR GROUP

Licence/permit/ registration/approval	Holder of licence/permit/ registration/ approval	Granting authority	Effective date	Expiry date
Export Licence for Dual-use Items and Technologies of PRC (中华人民共和国两用物项和技术出口许可证)	Zhuhai Centresin	Ministry of Commerce of PRC	14 July 2025	11 January 2026
Hi-tech Enterprise Certificate (高新技术企业证书)	Zhuhai Centresin	Science and Technology Department of Guangdong Province Finance Department of Guangdong Province Taxation Bureau of Guangdong Province	19 November 2024	18 November 2027
Investment Registration Certificate No. 5481660118	Zhong Bu Vietnam	Industrial Zones Authority of Binh Duong Province	3 January 2020	18 October 2055
Certificate No. 1554/GCN-SCT on satisfaction with conditions for manufacture and trading of conditional chemicals for manufacture and trading in industry area (“ Chemicals Manufacture and Trading Certificate ”)	Zhong Bu Vietnam	Department of Industry and Trade of Binh Duong Province	12 October 2018	None
Operation Registration Certificate for Representative Office No. 3700619778-001	Zhong Bu Vietnam	Business Registration Office of Hai Duong Province (“ Hai Duong BRO ”)	4 May 2018	N/A

GENERAL INFORMATION ON OUR GROUP

Licence/permit/ registration/approval	Holder of licence/permit/ registration/ approval	Granting authority	Effective date	Expiry date
Certificate of Land Use Right and Ownership of Housing and Other Property Attached to Land (“ LURC ”) for private rights to use the land area of 34,107.1m ² and ownership of construction works in the land lot No. 116 at Industrial Zone (KCN) Dai Dang, Phu Tan Ward, Thu Dau Mot City, Binh Duong Province, Vietnam (now known as Dai Dang Industrial Zone, Binh Duong Ward, Ho Chi Minh City, Vietnam)	Zhong Bu Vietnam	Department of Natural Resources and Environment of Binh Duong Province	5 January 2017	18 October 2055
Approval of the Environmental Impact Assessment (“ EIA ”) report for its Project	Zhong Bu Vietnam	The Ministry of Natural Resources and Environment” (“ MONRE ”)	2 July 2018	N/A
Environmental Permit No. 44/GPMT-BTNMT	Zhong Bu Vietnam	MONRE	7 February 2024	6 February 2034
Certificates of Approval for Fire Fighting and Prevention Design No. 212/TDPCCC-P2 and No. 335/TD-PCCC-P2	Zhong Bu Vietnam	Fire Fighting and Prevention Police of Binh Duong Province	10 August 2015 and 29 May 2017	Not applicable
Approval documents for the acceptance results of fire prevention and fighting No. 274/CSPC&CC-P2 and No. 428/CSPC&CC-S1	Zhong Bu Vietnam	Fire Fighting and Prevention Police of Binh Duong Province	18 August 2016 and 05 December 2017	Not applicable
Business Identification Number	PT Zhong Bu Adhesive	Ministry of Investment/ Head of Indonesia Investment Coordinating Board	10 December 2018	Not applicable
Approval for the Conformity of Space Utilisation Activities	PT Zhong Bu Adhesive	Ministry of Agrarian Affairs and Spatial Planning and Ministry of Investment/Head of Indonesia	6 December 2022	6 December 2025

GENERAL INFORMATION ON OUR GROUP

Licence/permit/ registration/approval	Holder of licence/permit/ registration/ approval	Granting authority	Effective date	Expiry date
Approval for the Conformity of Space Utilisation Activities	PT Zhong Bu Adhesive	Ministry of Agrarian Affairs and Spatial Planning and Ministry of Investment/Head of Indonesia	25 February 2025	25 February 2028
Verified Standard Certificate	PT Zhong Bu Adhesive	Ministry of Industry – Ministry of Investment/ Head of Indonesia Investment Coordinating Board	15 December 2022	Not applicable
Business Identification Number	PT Zhongbu Resins	Ministry of Investment/ Head of Indonesia Investment Coordinating Board	26 January 2022	Not applicable
Approval for the Conformity of Space Utilisation Activities	PT Zhongbu Resins	Ministry of Agrarian Affairs and Spatial Planning and Ministry of Investment/Head of Indonesia	26 January 2022	26 January 2025 ⁽¹⁾
Standard Certificate	PT Zhongbu Resins	Ministry of Industry – Ministry of Investment/ Head of Indonesia Investment Coordinating Board	26 January 2022	Not applicable
Decision of the Kendal Special Economic Zone Administrator regarding the Designation of Business Entities in the Kendal Special Economic Zone, Kendal Regency	PT Zhongbu Resins	Head of Administrator of the Kendal Special Economic Zone	10 August 2022	Not applicable
Building Approval for various building structures	PT Zhongbu Resins	Regent of Kendal Head of the Investment and One-Stop Integrated Service Office	4 November 2024	Not applicable
PT Kawasan Industri Kendal's Board of Directors Decree on the Approval of the Detailed Environmental Management Plan- Environmental Monitoring Plan for the Operational Business Activities of the Company	PT Zhongbu Resins	PT Kawasan Industri Kendal	30 May 2024	Not applicable

GENERAL INFORMATION ON OUR GROUP

Licence/permit/ registration/approval	Holder of licence/permit/ registration/ approval	Granting authority	Effective date	Expiry date
Certificate of Registration of Non- Hong Kong Company	Company (formerly known as Infinity Chemical Holdings Company Limited)	Hong Kong Companies Registry	23 March 2010	Not applicable
Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company	Company	Hong Kong Companies Registry	5 February 2016	Not applicable

Note:

- (1) Based on the advice of Legal Advisers to our Company on Indonesia Law, pursuant to the Indonesia Government Regulation No. 21 of 2021 on the Administration of Spatial Planning (“**GR 21/2021**”), every Indonesian company must ensure that its proposed land utilisation activities are in accordance with the Indonesia government’s spatial planning. Such conformity is evidenced by the issuance of the Conformity of Spatial Utilization Activities (*Kesesuaian Kegiatan Pemanfaatan Ruang* or “**KKPR**”) by the Indonesia government. KKPR itself can be in the form of (1) Approval of Conformity of Spatial Utilisation Activities (*Persetujuan Kesesuaian Kegiatan Pemanfaatan Ruang* or “**PKKPR**”), if the spatial planning is not yet integrated with the Online Single Submission (“**OSS**”) system; or (2) Confirmation of Conformity of Spatial Utilisation Activities (*Konfirmasi Kesesuaian Kegiatan Pemanfaatan Ruang* or “**KKKPR**”), if the spatial planning has already been integrated with the OSS system. Based on the Minister of Agrarian and Spatial Planning Regulation No. 13 of 2021 on the Implementation of KKPR and Synchronisation of Spatial Utilisation Program (“**MASP Regulation 13/2021**”), the practical purpose of the KKPR is to prove the Company’s conformity with the spatial planning in order to obtain a land title certificate. Once obtained, the validity period of the KKPR would follow the period mentioned in the respective land title certificate. Notwithstanding the expiry of PT Zhong Bu Resins’ Approval for the Conformity of Space Utilisation Activities (*Persetujuan Kesesuaian Kegiatan Pemanfaatan Ruang* or “**PKKPR**”) which was valid from 26 January 2022 to 26 January 2025, PT Zhong Bu Resins has secured the land title certificate in the form of a Right to Build Certificate (*Sertipikat Hak Guna Bangunan* or “**SHGB**”) No. 00669 for the site of the New Indonesia Plant and as a result, PT Zhong Bu Resins’ PKKPR validity would be adjusted to the period mentioned in the SHGB. Consequently, PT Zhong Bu Resins is not required to extend the expired PKKPR but instead, is only required to update the KKPR in the OSS system, to ensure that the validity period has been adjusted according to the period mentioned in the SHGB (which is valid until 22 April 2046). As there has been technical issues with the OSS system preventing the PKKPR update feature from being made available to us, we have not successfully updated the KKPR as at the Latest Practicable Date. Verbal confirmation has been sought from a local OSS officer that, pending the rectification of the OSS system, we may continue to use and rely on the PKKPR until the abovementioned feature in the OSS system is made available to us. The Legal Advisers to our Company on Indonesia Law are of the opinion that as of now, there are no known risks associated with failing to update the KKPR in the OSS system. Since the BKPM/OSS system currently cannot accommodate extension requests for PKKPR/KKKPR, PT Zhong Bu Resins’ PKKPR (which had an initial 3-year validity period) may still be used and is considered valid for the duration of the land tenure period as stated in the SHGB.

As at the Latest Practicable Date, our Directors, confirm that, to the best of their knowledge, our Group has obtained all requisite licences, permits, registrations and approvals which are material for our current operations. As at the Latest Practicable Date, none of the aforesaid licences, permits, registrations and approvals obtained by our Group have been suspended or revoked and to the best of our knowledge and belief, there are at present no facts or circumstances which would cause such licences, permits, registrations and approvals to be suspended or revoked or for any applications for, or for the renewal of, any of these licences, permits, registrations and approvals to be rejected by the relevant authorities.

GENERAL INFORMATION ON OUR GROUP

INSURANCE

As at the Latest Practicable Date, our Group maintains insurance to cover our operational, human resource and fixed asset risks, including, among others, third party risks, property all-risks, industrial all-risks, commercial fire risks, burglary risks, and insurance relating to employee compensation and health, production safety liability, marine cargo and business interruption. The above insurance policies are reviewed annually to ensure that our Group has sufficient insurance coverage.

There have been no material insurance claims made by us, and our Group has not been subject to any material insurance claims or liabilities arising from our operations, in FY2022, FY2023, FY2024 and 6M2025, and up to the Latest Practicable Date. To the best of our Directors' knowledge and belief, our Group's insurance policies are adequate for the present operations of our Group and are in line with market practice. We will procure the necessary additional coverage for our business operations, properties and assets as and when the need arises.

COMPETITION

We operate in a competitive environment and we are subject to competition from existing competitors and new entrants. In Asia, competition is highly intensive in the adhesive industry, particularly in the PRC, due to the presence of many market players and diverse product offerings. Larger adhesive manufacturers in the PRC comprise both foreign and domestic manufacturers that serve many industrial applications apart from footwear, such as electronics and construction. Competition in Vietnam includes a handful of foreign adhesive manufacturers of higher quality products. We believe that we are able to compete against other manufacturers of adhesives and other related chemical products as we have established production plants across various locations in Asia to cater to the needs of our customers and to serve them as closely as possible, and we have strong research and development capabilities that enable us to enhance the quality of our products and stay abreast with market trends.

Under the section entitled "1.2.3 Peer Benchmarking of Major Asian Adhesive Players" of the Industry Report as set out in Appendix F of the Offer Document, six leading Asian players have been set out, including our Group. Each of them competes with us in certain product categories or certain markets, and it is set out under the section entitled "1.2.2 Market Size and Market Share" in the Industry Report that our Group is one of the top four in the footwear adhesives industry in Asia, with market share of approximately 6.8% to 9.5% of Asia's footwear adhesives industry in 2024. The ranking is performed by the Industry Consultant, Converging Knowledge Pte Ltd, and the basis for such ranking is based on market audit and interviews. The market audit involved both secondary sources and primary interviews, and subsequent to data collection and triangulation, the findings were consolidated and tabulated to identify the top few players.

None of our Directors, Executive Officers or Controlling Shareholders or their respective Associates has any interest, direct or indirect, in any of the competitors mentioned under the Section entitled "1.2.3 Peer Benchmarking Of Major Asian Adhesive Players" under the Industry Report as set out in Appendix F of the Offer Document.

GENERAL INFORMATION ON OUR GROUP

COMPETITIVE STRENGTHS

We have a strong track record and are recognised as a leading player in the footwear adhesives market in Asia

Our Group is ranked among the top four footwear adhesives players in Asia, based on a survey by the Industry Consultant, Converging Knowledge Pte Ltd. While the adhesives market in Asia is highly competitive, we focus on the specialised niche of footwear adhesives. This focus, has over the past 35 years, established our Group as a leading footwear adhesives player who can deliver high performance and quality footwear adhesives, at competitive prices with reliable technical support and customer service.

In the footwear adhesives industry, major athletic brands typically either specify or approve the adhesives suppliers submitted by the footwear manufacturers. As a further testament to our track record and reputation, our Group is recognised by more than 15 international brands. Please refer to the section entitled “General Information on our Group – Major Customers” of this Offer Document for further details. Additionally, we have maintained over 30 years of relationship with our largest customer, a publicly listed footwear manufacturing group headquartered in Taiwan, primarily focused on the production of athletic and casual footwear for major international brands. This long-standing relationship reflects our consistency in meeting their quality, service and cost expectations.

We have a strong regional presence across Asia that supports customer proximity and revenue diversification

Our Group has established a strong presence and production facilities in key Asian footwear manufacturing countries, including Vietnam, Indonesia and the PRC, which are the top three (3) footwear export countries in Asia. Our revenue is generated across Asia, namely, Vietnam, Indonesia, Bangladesh, PRC and India.

We have also established subsidiaries and offices in multiple Asian locations, including Bangladesh, India, Cambodia, Hong Kong, Macau, Malaysia and Singapore. This network of production facilities and offices enables us to remain close to our customers, allowing for shorter lead time, lower supply chain costs and timely on-site technical support. Additionally, our presence across multiple locations provides us with the flexibility to identify market opportunities and adapt our business strategy accordingly, be it to build a production facility, set up a sales office or establish a distribution centre.

We have strong research and development (“R&D”) capabilities and proven track record in developing high-performance and environmentally friendly adhesives

Our Group has established strong in-house R&D capabilities, supporting the development of both high-performance and environmentally friendly adhesives. We develop and market our own brands of adhesive products under “Zhong Bu” and “Centresin”, which have been in continuous development since 1996. Our dedicated R&D centre in Guangzhou leads product innovation, supported by a regional team of approximately 20 R&D staff (as at 31 March 2025) based across Vietnam, PRC and Indonesia. This set-up allows our R&D team to work closely with our sales, marketing and technical services team, as well as directly with customers, to customise adhesive and primer solutions that meet performance specifications and help our footwear manufacturer customers comply with global brand-specific chemical requirements. In the athletic footwear

GENERAL INFORMATION ON OUR GROUP

segment, where brands frequently introduce new materials, designs and performance features, such close collaboration is key to helping our customers meet evolving specifications from global brands.

We have collaborated with technical experts in Japan, Taiwan and Hong Kong and work with a leading German chemical supplier in the development of specialty adhesives, including water-based formulations. These collaborations have supported our Group's efforts in sustainability-focused product innovation. We were recognised as a Champion by an international brand in 2024, for attaining ZDHC MRSL Level 3 Certification, the highest level of conformance for chemical safety in manufacturing. In line with our sustainability focus, we have developed water-based adhesives with improved initial tack and bonding performance. Our Group also holds various patents including for treatment agents for EVA shoes and waterborne polyurethane ("PU") glue.

We have an experienced management team with strategic execution and strong stakeholder relationship

Our Group's management team (which includes our executive directors, executive officers and experienced department heads across manufacturing, R&D, sales, marketing and technical services) has a proven record of making commercially sound strategic decisions while maintaining prudent cost control. They have built deep, long-standing relationships with leading global footwear brands, their manufacturers and key material suppliers, fostering collaboration in product development and technical solutions. This combination of strategic foresight, operational discipline and stakeholder trust has enabled the effective management of over 400 staff in ten locations and strengthened our Group's position as a recognised footwear adhesives supplier in Asia.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the growth and expansion of our business are as described below:

BUSINESS STRATEGIES

Strengthening regional leadership through core capabilities

Our Group aims to cement our position as a leading footwear adhesives supplier in Asia by building upon our existing competitive strengths. This includes leveraging the management team's proven ability to execute prudent business strategies, maintain cost discipline, and oversee manufacturing, R&D, sales, marketing and technical services operations across more than 400 employees in ten locations. We will continue to deepen long-standing relationships with customers, including through joint product development initiatives, and enhance supplier collaborations to secure consistent quality raw materials. By combining innovation with operational excellence, our Group aims to entrench our market leadership and deliver sustained value to stakeholders.

Expanding regional footprints to support sustainable growth

Our Group will selectively expand our geographical presence within Asia through both organic and inorganic growth opportunities. This approach focuses on markets where our expertise, product capabilities and stakeholder relationships can be effectively deployed to deliver long-term returns.

GENERAL INFORMATION ON OUR GROUP

Any expansion will be guided by the same principles of strategic prudence, ensuring that investments are made only where there is a clear pathway to market leadership and alignment with our Group's core strengths.

FUTURE PLANS

Expansion to Overseas Market

We intend to increase our presence in other countries in Asia, such as setting up new subsidiaries, new offices, establishing new distribution and production base in countries where we do not currently have a significant presence (which may include acquiring assets needed for such expansion). We also intend to conduct feasibility studies for new locations, as we continually assess alternative manufacturing locations to support our major customers. In particular, we are currently considering expansion in India; to date, we have two leases for office space and factory space but have not commenced nor committed to further expansion plans in India.

Explore expansion through acquisitions, joint ventures or strategic alliances

In addition to growing organically, we may also expand our business, whether in Singapore or overseas, through acquisitions, joint ventures and strategic alliances with parties whose businesses are synergistic with our business. We believe that suitable acquisitions, joint ventures and strategic alliances will strengthen our market position, give us access to new technologies, new products, new markets and customers as well as new complementary businesses. They will also bring about greater economies of scale and provide an impetus for our future growth. As at the Latest Practicable Date, we are not engaged in any formal discussion with any party for acquisitions, joint ventures or strategic alliances.

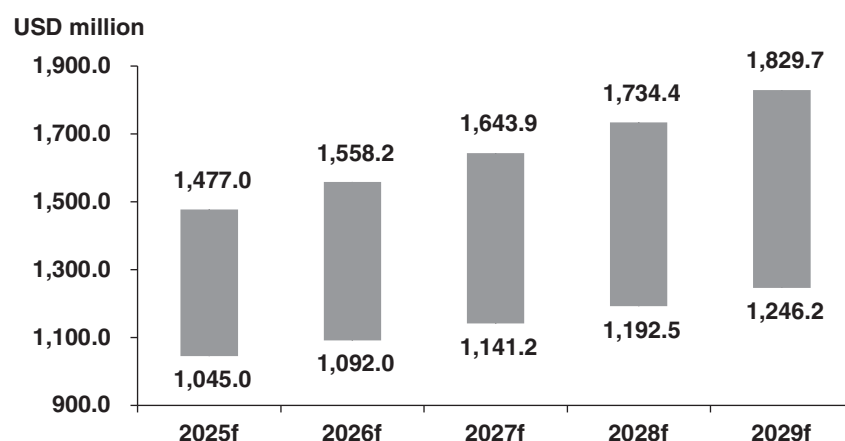
PROSPECTS

*Except as otherwise indicated, all data in this Offer Document relating to the adhesives and related chemical products industry has been sourced from an industry research report prepared by the Industry Consultant ("**Industry Report**"), for the purposes of incorporation in this Offer Document, which is set out in "Appendix F – Industry Report" of this Offer Document. The Industry Report contains certain statements that are "forward-looking" and are based on underlying assumptions containing variables that may have changed since the date of issue. The data extracted in this section shall be qualified by and subject to the assumptions, qualifications and/or disclaimers set out in the Industry Report and the Industry Report should be read in its entirety. Please refer to the assumptions, qualifications and/or disclaimers set out in the Industry Report at "Appendix F – Industry Report" of this Offer Document for further details. By their nature, forward-looking statements are subject to risks and uncertainties because they relate to events and depend on circumstances that may occur in the future. No forward-looking statements contained herein should be relied upon as predictions of future events. No assurance can be given that the expectations expressed in these forward-looking statements will prove to be correct. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document for more details. The data extracted from the Industry Report may have been re-classified by us for the purpose of presentation. The accuracy of the information has not been verified by our Directors, and the Sponsor. None of our Directors, our Group, and the Sponsor makes any representation as to the accuracy or completeness of such information and shall not be obligated to provide any updates on the same.*

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Asia is likely to maintain its market leadership for footwear manufacturing. This will drive up the demand for shoe ancillary components. Further growth is influenced by the rebound in global trade; robust consumer demand for athletic and casual shoes; growing adoption of automated footwear bonding; sustainable manufacturing practices; as well as improved local raw material sourcing capabilities. The market size of the footwear adhesives Industry in Asia is projected to increase at a CAGR of 4.5% to 5.5%¹ in the next five years (2025-2029) and reach USD1.2 billion to USD1.8 billion by 2029.

Figure 1: Forecasted Market Size of the Footwear Adhesives Industry in Asia, 2025 to 2029



Source: Converging Knowledge

There are various factors highlighted in the Industry Report as affecting the industry outlook.

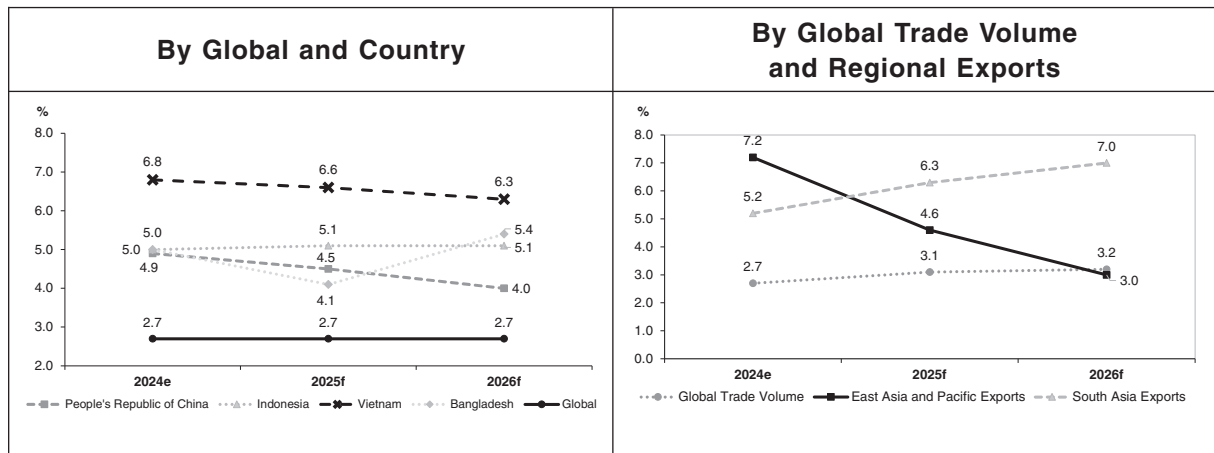
Impact of an Uncertain Economic Outlook on Footwear Manufacturing

Asia's economic outlook is projected to be modest. Real GDP across the four Asian economies is expected to rise YoY above the global real GDP projection; export growth projections will increase from 3.0% to 7.0%. However, global trade policies, especially protectionist and other retaliatory measures, could significantly impede growth momentum. Manufacturers of footwear and footwear adhesives would need to reassess their supply chain strategies to mitigate the impact on their inventory and bottom-line.

¹ The projected CAGR of 4.5% to 5.5% was derived as a result of the market audit, which was carried out using secondary sources and primary interviews. Secondary sources were consulted to understand external research findings and projections, and audited statements of leading private players were analysed, taking into consideration market trends and major events. A range of estimated projections was derived and subsequently tested with players through primary interviews.

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Figure 2: Real GDP Growth Forecast, 2024 to 2026



Source: Compiled by Converging Knowledge

Footwear for Specific Activities is Increasingly Popular With Consumers

Footwear targeted at specific activities is becoming increasingly popular with consumers in the PRC, Vietnam, and Indonesia. Niche running and outdoor footwear brands are preferred; running and hiking shoes from local brands are highly popular. Casual footwear is gaining traction amongst Indonesian consumers as it complements modest fashion in the Muslim-majority country. The robust demand for casual and comfortable footwear in the forecast period will have a positive influence on shoe manufacturing activities and adhesives manufacturers alike.

Innovative Bonding Solutions in Automated Footwear Manufacturing

Automated footwear adhesive spraying relies on cutting-edge technologies to reduce product quality fluctuations and wastage. The growing adoption of automation in footwear manufacturing has created a new demand for specialised adhesives. Adhesive makers in the PRC and Vietnam are developing new bonding solutions for automated footwear applications without compromising on quality. Such developments offer new opportunities for adhesive makers.

Sustainable Footwear Manufacturing Developments in Key Asian Markets

The adoption of sustainable manufacturing practices is becoming increasingly important. Vietnam and Indonesia are stepping up on their green footwear manufacturing initiatives to maintain or improve their export competitiveness. Vietnam introduced a policy roadmap to develop its Textiles and Clothing, Leather and Footwear (TCLF) industries based on the circular economy model; local Indonesian shoemakers have adopted natural materials. Leading Asian footwear producers are increasingly adopting sustainable manufacturing practices, paving the way for expanding the green footprint.

Improve Local Sourcing Capabilities to Boost Footwear Manufacturing

The high reliance on raw material imports is the key limiting factor of manufacturing in Vietnam, Indonesia, and Bangladesh. As such, these countries are working on improving their local sourcing capabilities to reduce the impact of high input costs. Vietnam is planning a raw materials hub; Indonesia has attracted 200 foreign raw material suppliers; Bangladesh aims to produce

GENERAL INFORMATION ON OUR GROUP

one-third of some 150 items required for footwear manufacturing at the Bangladesh Shoe City Limited (BSCL). The shifts are likely to have a positive impact on the local production of shoe adhesives.

TREND INFORMATION

The following discussion about our trends includes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those that may be projected in these forward-looking statements. Please also see the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

As at the Latest Practicable Date and barring unforeseen circumstances (including any prolonged or resurgence of COVID-19 pandemic outbreak in our operating jurisdictions), our Directors have observed the following trends which may have an impact on our Group’s business and financial prospects for the next twelve (12) months from the Latest Practicable Date:

Impact of the United States Tariffs

As stated above in “Risk Factors – Risks relating to our industry and business – We are exposed to geopolitical risks such as tariffs imposed by countries”, on 3 April 2025, the United States announced a revised tariff regime that imposes elevated import duties on a wide range of goods manufactured in several Southeast Asian countries, including Vietnam and Indonesia, as well as renewed scrutiny of goods originating from the PRC. On 7 August 2025, the United States officially implemented new “reciprocal tariffs” on over 50 countries.

As our Group has production facilities and supply partnerships in Vietnam, PRC, and Indonesia, and our products are shipped to key countries including Vietnam, Indonesia, Bangladesh, PRC and India, our finished products may be subject to pricing pressure where we may be asked to reduce our selling prices. As at the Latest Practicable Date, we have engaged in discussions with our major customers and suppliers on the impact of the tariffs. In certain cases, our customers may have to absorb part of the impact of such tariffs when shipping to the United States, and therefore, we are in discussion with our customers on how we can assist them to absorb part of such impact, including by reducing our selling price to them or requesting our suppliers to reduce prices to us.

Potential Increase in Costs and Operating Expenses

We expect to face a general trend of increase in the costs, and operating expenses, including ongoing compliance costs of being dual listed in both Singapore and Hong Kong, and our one-time listing expenses which will be recorded in our financial statements, and face inflationary pressure on materials and administrative costs. As we are constructing the New Indonesia Plant as described under the section entitled “General Information on our Group – Production Facilities” of this Offer Document, additional costs will be incurred relating to hiring of new staff, depreciation of production facilities and other costs of getting the production facility operational.

There are also various trends as identified in the Industry Report, including:

- demand for high-performance adhesives will be driven by high quality and comfortable footwear, in particular as consumers are swapping out of their formal and office attire for casual wear amidst hybrid working arrangements that remained a trend post-COVID;

GENERAL INFORMATION ON OUR GROUP

- greater focus on sustainable adhesives, as the industry reduces VOC content with sustainable alternatives; and
- demand for high-quality footwear driven by health-conscious consumers, with health initiatives introduced by Vietnam, PRC and Indonesia. Such developments of health initiatives boost the revenues of footwear manufacturers, which will create a spillover effect on adhesives.

Save as disclosed above and in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position”, “General Information on our Group – Prospects” and “General Information on our Group – Business Strategies and Future Plans” of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of any significant recent known trends in the costs and prices of our products or inventories, or any other known uncertainties, demands, commitments or events that are reasonably likely to have a material and adverse effect on our revenue, profitability, liquidity and capital resources. Our Directors are also not aware of any such trends that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. For more information, please also refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

ORDER BOOK

Due to the nature of our business, we do not have an order book as our products are generally manufactured and sold based on purchase orders, and no long-term sales contracts are signed.

CORPORATE SOCIAL RESPONSIBILITY

Over the years, our Group has been committed to contributing to our community particularly in the areas of education and child development, as well as helping disadvantaged groups in society, supporting the poor and contributing to communities where our Group is located.

Since 2006, our Group has been financially supporting the construction of Youxin Peimiao Primary School in Teng County, Guangxi in the PRC. Assistance was given to establishing education programs and construction of facilities in schools through voluntary work provided by our staff on a yearly basis and in the form of donations (including of stationery, food and other materials for pupils of the school).

EXCHANGE CONTROLS

EXCHANGE RATES

Exchange rates between HK\$ and S\$

As our financial statements are prepared in HK\$, the table below sets forth, for the periods indicated, certain information on the exchange rates between HK\$ and S\$ (in HK\$ per S\$), as quoted by Bloomberg L.P. and rounded to two (2) decimal places. These exchange rates have been presented solely for information only. We make no representation that the HK\$ or S\$ dollar amounts set out below and referred to elsewhere in this Offer Document could have been or could be converted into any of the respective other currencies at the rates indicated or at any other rate or at all.

Period	Closing exchange rates (HK\$ per S\$) ⁽¹⁾			Period end
	High ⁽²⁾	Low ⁽²⁾	Average ⁽³⁾	
FY2022 ⁽⁴⁾	5.81	5.43	5.70	5.47
FY2023 ⁽⁴⁾	6.00	5.46	5.80	5.73
FY2024 ⁽⁴⁾	6.07	5.70	5.84	6.06
6M2025 ⁽⁵⁾	6.04	5.67	5.78	5.79
March 2025	5.84	5.77	5.82	5.79
April 2025	5.95	5.75	5.87	5.94
May 2025	6.10	5.93	6.03	6.07
June 2025	6.16	6.07	6.11	6.16
July 2025	6.18	6.05	6.13	6.05
August 2025	6.13	6.04	6.09	6.07

Notes:

- (1) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from its database and is therefore not liable for such information. While our Company and the Sponsor and Issue Manager have taken reasonable actions to ensure the information from Bloomberg L.P.'s database has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Offer Document, neither our Company, our Directors, the Sponsor and Issue Manager nor any other party has conducted an independent review of the information contained in that database or verified the accuracy of the contents of the relevant information.
- (2) The high and low amounts were determined using the closing exchange rates at the end of each day during the period indicated.
- (3) The yearly average rate was determined using the closing exchange rates on the last day of each month during the period indicated. The monthly or periodic average rate was determined using the closing exchange rates at the end of each day during the period indicated.
- (4) Information pertaining to FY2022, FY2023 and FY2024 are taken from 1 October 2021 to 30 September 2022, 1 October 2022 to 30 September 2023 and 1 October 2023 to 30 September 2024, respectively.
- (5) Information pertaining to 6M2025 is taken from 1 October 2024 to 31 March 2025.

On the Latest Practicable Date, the closing exchange rate between the HK\$ and the Singapore dollar (in HK\$ per Singapore dollar) was HK\$6.09: S\$1.00.

EXCHANGE CONTROLS

EXCHANGE CONTROLS

The following is a description of the exchange controls that exist in the jurisdictions our Group operates in.

Hong Kong

There are currently no foreign exchange control restrictions or similar laws, decrees, regulatory or other requirements in Hong Kong.

Singapore

There are currently no foreign exchange control restrictions or similar laws, decrees, regulatory or other requirements in Singapore that may affect the following: (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

PRC

The lawful currency of the PRC is the RMB, which is currently subject to foreign exchange control and is not freely convertible into foreign currencies. Please see the section entitled "Government Regulations – PRC Laws and Regulations – Regulations relating to foreign exchange" of this Offer Document for further details. The State Administration of Foreign Exchange of the PRC (SAFE) is responsible for administration of all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

According to the Regulation on Foreign Exchange Administration of the PRC (中华人民共和国外汇管理条例) promulgated on 29 January 1996, last revised on 5 August 2008 and became effective on the same day, the foreign exchange income and expenditure and foreign exchange business operations of Chinese institutions and individuals, as well as the foreign exchange income and expenditure and foreign exchange business operations conducted within the territory of the PRC by overseas institutions and individuals, shall be subject to foreign exchange administration. RMB is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments, but is not freely convertible for capital expenditure items such as direct investment, loans or investments in securities outside of the PRC unless approval from SAFE or its local counterpart is obtained in advance.

Whilst the payment of dividends by our Company to Shareholders is not restricted by the Regulations on the Control of Foreign Exchange of the PRC and does not require prior approval from SAFE under the PRC foreign exchange control system, the relevant documents in respect of such payment of dividends must be presented at designated foreign exchange banks within the PRC licensed to carry out foreign exchange business.

For risks associated with PRC foreign exchange controls, please refer to the section entitled "Risk Factors – Risks Relating to the PRC – We are subject to PRC foreign exchange regulations" of this Offer Document.

Indonesia

There are no foreign exchange controls or foreign exchange regulations under the currently applicable laws of Republic of Indonesia and all dividends and other distributions declared and payable on the shares in the share capital of the Indonesian subsidiary to its shareholders not

EXCHANGE CONTROLS

resident in Indonesia may under Indonesian laws be paid in Rupiah must be converted into appropriate foreign currency and freely transferred out of Indonesia. However, pursuant to Regulation of the Board of Governors Member of Bank of Indonesia Number 11 of 2024 on the Transactions in the Foreign Exchange Market, any purchase of foreign currencies against IDR exceeding US\$100,000 or its equivalent amount must be supported by an underlying transaction and the maximum amount of the foreign exchange that can be purchased must be equal to the value of the underlying transaction. In the case of dividend distribution, a deed containing the shareholders' approval on the dividend distribution should be considered an equivalent document.

BVI

There are currently no exchange control restrictions in the British Virgin Islands.

Bangladesh

Relevant Laws and Regulations on Foreign Exchange

Bangladesh operates a very strict foreign exchange control regime under Foreign Exchange Regulation Act (“**FERA**”). Bangladesh Bank has introduced Guideline to Foreign Exchange Transactions (“**GFET**”) to regulate foreign exchange transactions in Bangladesh. Remittance of money outside Bangladesh is allowed only under specific circumstances and is required to be supported by appropriate documentation as outlined under GFET. Any transaction out of the scope of GFET requires prior permission from Bangladesh Bank.

The major policy related to foreign investment in Bangladesh is the National Industrial Policy 2022. Bangladesh actively seeks foreign investment, particularly in the agribusiness, garment and textiles, leather and leather goods, light manufacturing, electronics, light engineering, energy and power, information and communications technology (“**ICT**”), plastic, healthcare, medical equipment, pharmaceutical, ship building, and infrastructure sectors. It offers a range of investment incentives under its industrial policy and export-oriented growth strategy with few formal distinctions between foreign and domestic private investors. Foreign and domestic private entities can establish and own, operate, and dispose of interests in most types of business enterprises (with the exception of certain sectors reserved for government investment).

While discrimination against foreign investors is not widespread, the government frequently promotes local industries and some discriminatory policies and regulations exist in connection with market entry for certain industries such as banking and logistics. There is no regulation or practice that would affect the exchange controls, and the repatriation of income generated from our Group's Bangladesh operations.

Restrictions in dealing with foreign currency

Conversion and repatriation of foreign exchange require the approval of the Bangladesh Bank (“**BB**”). For certain transactions authorised dealers arrange summary approvals from Bangladesh Bank as outlined under GFET e.g. foreign investment, divestment, repatriation, technical fee, royalty, consultation fee, distribution fee, dividend, loan repayment including interest payment, and import/export. For such transactions there are specific application and notification requirements which are operational in nature.

EXCHANGE CONTROLS

All other foreign exchange transactions out of the scope of GFET require special permission from the Bangladesh Bank.

FERA also restricts the creation of security interest in favour of non-residents without a general or special permission of BB..

Foreign investment and equity participation by non-Bangladeshi entities or persons

Pursuant to GFET, foreign investors are free to make investment in Bangladesh except for a few reserved sectors such as defence equipment and machinery, production of nuclear energy and security printing and mining etc. There is no limitation pertaining to extent of foreign ownership (either directly or indirectly) in non-reserved sectors.

Offshore companies are free to establish branch and liaison offices in Bangladesh for service and promotion purposes as long as those are funded by their principal. Initially the principal is required to inject USD50,000 into such branch/liaison office for initial costs and expenses and thereafter it can inject any fund in such branch and liaison offices to meet their legal costs and expenses.

Macau

There are currently no foreign exchange control restrictions or similar laws, decrees, regulatory or other requirements in Macau that would affect the repatriation of capital and remittance of profits to our Company.

Taiwan

Exchange controls in Taiwan are governed by the Foreign Exchange Control Act (管理外汇条例) that is administered by the Central Bank of Taiwan. Based on the current regulations applicable (the Regulations Governing the Declaration of Foreign Exchange Receipts, Disbursements or Transactions (外汇收支或交易申报办法)), each foreign exchange remittance that exceeds NTD 500,000 should be declared through the transaction bank.

There are currently no laws and regulations in Taiwan that restrict the repatriation and remittance of profits from Taiwanese companies to its foreign shareholders. While foreign exchange transactions related to trade may purchase foreign currency freely, a company incorporated in Taiwan may remit into or outside Taiwan foreign currency up to US\$100,000,000 (or its equivalent) without prior approval from the Central Bank of Taiwan.

Vietnam

Ordinance No. 28/2005/PL-UBTVQH11, dated 13 December 2005 (as amended in 2013), known as the “Foreign Exchange Control Ordinance” and its guiding legal documents (particularly Circular 186/2010/TT-BTC, dated 18 November 2010, of the Ministry of Finance (“**Circular 186/2010**”), are key regulations governing foreign exchange controls on the repatriation of capital and the remittance of profits in Vietnam. The State Bank of Vietnam is the competent authority responsible for supervising, monitoring, and managing the implementation of these foreign exchange regulations.

EXCHANGE CONTROLS

Vietnam laws allow the repatriation of capital and remittance of profits under certain requirements or circumstances. From the perspective of forex exchange control, foreign-invested enterprises (“**FIE**”) shall comply with some notable obligations for repatriation of capital and remittance of profits as follows:

- (i) Repatriation of capital and the remittance of profits to its foreign investor shall be conducted via the Direct Investment Capital Account (“**DICA**”) unless otherwise provided by laws. In principle, the currency transferred abroad must match the foreign currency type of the direct investment capital account unless otherwise provided by laws.
- (ii) The Vietnamese bank where the FIE opens its DICA shall report information on a transaction to the competent authority if the transaction value is USD1,000 or more, or in another foreign currency of equivalent value.
- (iii) With respect of the remittance of profits, foreign investors may only proceed on the conditions that (a) financial obligations to the Vietnamese government as mandated by law are fulfilled; (b) audited financial statements and corporate income tax finalization declarations for the fiscal year have been submitted to the direct tax authority, and (c) have fully complied with other requirements of the 2019 Tax Administration Law (applicable in case of transfer profits abroad at the end of direct investment activities in Vietnam). Moreover, Vietnam laws also prohibit foreign investors from repatriating profits gained from direct investments in Vietnam if the enterprise in which they invest has accumulated losses, even if the company reports profits in the current financial year and the losses have been carried forward according to corporate income tax regulations.

Regarding the procedure for remittance of profits out of Vietnam, the FIE, under the authorisation of its foreign investor, is required to notify such remittance to the tax management authority at least 07 business days in advance of the intended remittance date. The time limit for the foreign currency remittance is within 30 business days from the date of purchase.

Regarding the condition for profit repatriation, Vietnam laws mandate that a company’s profit shall only be distributed to its members if: (i) the company’s tax liabilities and other financial obligations have been fulfilled as prescribed by law; and (ii) the company is able to fully pay its due debts and other liabilities after profit is distributed.

Generally, Vietnam laws do not stipulate a limit on the amount of profit that foreign investors can repatriate, provided that the profit is legally obtained, all financial obligations to the Vietnamese State have been fulfilled, and the regulations on foreign exchange management are complied with.

In view of the above, Vietnam’s regulations on foreign exchange control above do not have a material impact on our Group’s ability to make or receive foreign currency cash and cash equivalents and the remittance of dividends, interest or other payments to the relevant shareholders.

India

Foreign investment in India is governed by, amongst others, the Foreign Exchange Management Act, 1999 (“**FEMA**”), Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“**FEMA Non-Debt Rules**”) and the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (“**DPIIT**”), from time to time (“**FDI Policy**”). Further, the Reserve Bank of India (“**RBI**”) has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

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Where the activities of an Indian company fall within the automatic route prescribed by the FDI Policy and the shareholding of a person resident outside India (i.e. non-resident) in the Indian company is within the sectoral limits under the FDI Policy, and the equity instruments of the Indian company were acquired by the non-resident in compliance with FEMA regulations, the repatriation of proceeds from the sale of equity instruments of an Indian company held by such non-resident is allowed without approval of the RBI/Government of India, provided the following is adhered:

- (i) the equity instruments were held by the non-resident on a repatriable basis;
- (ii) the sale of the equity instruments was undertaken in compliance with the pricing guidelines, if the shares are sold to a person resident in India (i.e. resident);
- (iii) the transferee or its beneficial owners must not be restricted from acquiring such shares under Press Note No. 3 (2020 series) issued by the DPIIT (in which case, prior approval of Government of India would be required for undertaking sale of shares to such transferee);
- (iv) the transaction must otherwise be compliant with the FEMA Non-Debt Rules;
- (v) further, such transaction must be reported in Form FC-TRS (along with necessary annexures) within the prescribed timelines for transfer of equity instruments between: (a) a non-resident holding equity instruments in an Indian company on a repatriable basis and non-resident holding equity instruments on a non-repatriable basis; and (b) a non-resident holding equity instruments in an Indian company on a repatriable basis and a resident. The onus of reporting is on the resident transferor/transferee or the non-resident holding equity instruments on a non-repatriable basis, as the case may be.

Regarding remittance of profits (to the extent dividend is declared and paid by an Indian company), the dividend must be declared and paid by the Indian company to the foreign shareholder in accordance with the (Indian) Companies Act, 2013 and the rules framed thereunder. In terms of exchange control regulations, dividends are freely repatriable without any restrictions (net after tax deduction at source or dividend distribution tax, if any, as the case may be).

Malaysia

The Financial Services Act 2013 (“**FSA**”) and Islamic Financial Services Act 2013 (“**IFSA**”) are the principal legislations which govern, amongst others, exchange control in Malaysia. The governing authority for Foreign Exchange Administration in Malaysia is Bank Negara Malaysia (“**BNM**”).

Pursuant to the Declaration on Entities Created, Incorporated, etc. in Labuan issued by BNM on 28 June 2013, Labuan entities are declared as non-residents for purposes of sections 214 and 215 of the FSA and sections 225 and 226 of the IFSA and the Foreign Exchange Policy Notices issued by BNM (“**FEP**”).

Pursuant to Notice 4 of the current FEP, a non-resident is allowed to make or receive payment in Malaysian ringgit, in Malaysia, to or from a non-resident for, amongst others, settlement of a trade in goods or services, excluding payment between non-residents for settlement of a trade in goods or services outside Malaysia. In relation to payment in foreign currency, Notice 4 of the FEP allows a non-resident to make or receive payment in foreign currency, in Malaysia, to or from another non-resident for any purpose.

Based on the foregoing, Malaysia’s regulations on exchange controls do not have a material impact on the repatriation of capital and remittance of profits by or to our Company.

EXCHANGE CONTROLS

Cambodia

The Law on Foreign Exchange (Royal Kram No. CS/RKM/0897/03 dated 22 August 1997) governs foreign exchange operations in Cambodia. Such law imposes no restrictions on foreign exchange operations through book entries including purchases and sales of foreign exchange on the foreign exchange market, transfers, all kinds of international settlements, and capital flows in foreign or domestic currency between Cambodia and other countries or between residents and non-residents. This includes remittances of dividends in foreign currency to their foreign shareholders overseas and repatriation of fund or investment back to home country provided that all relevant applicable taxes are cleared first. However, Cambodian law requires that such operations to be undertaken only through authorised intermediaries, which are banks permanently established and licensed in Cambodia; and a prior declaration to be made to the National Bank of Cambodia for any investment of an amount totalling or exceeding USD100,000 made abroad by a Cambodian resident.

Authorised intermediaries shall inform and provide the National Bank of Cambodia on a regular basis with periodic statements, by type of transfers or settlements and of outflows and inflows of capital carried out between Cambodia and the rest of the world.

Furthermore, Cambodia's Investment Law (Royal Kram No. NS/RKM/1021/014 dated 15 October 2021) guarantees that investors are free to remit foreign currency abroad for the purpose of payment for imports and repayment of principal and interest on loans, payment of royalties and management fees, remittances of profits, and repatriation of invested capital upon dissolution of an investment project.

Cayman Islands

There are currently no exchange control restrictions in the Cayman Islands.

We are subject to all relevant laws and regulations of the countries where our business operations are located and may be affected by policies which may be introduced by the relevant governments from time to time. As at the Latest Practicable Date, except as disclosed herein and in the sections entitled "Risk Factors" and "Government Regulations" of this Offer Document, our business and operations are not subject to any special legislation or regulatory controls which have a material impact on our business operations other than those generally applicable to companies incorporated in and/or businesses operating in the PRC, Hong Kong, Indonesia, Vietnam, Cambodia, Singapore, Taiwan, India, Bangladesh, the BVI, the Cayman Islands, Malaysia and Macau.

GOVERNMENT REGULATIONS

The following description is a summary of material laws and regulations applicable to our Group. As at the Latest Practicable Date, to the best of our Directors' knowledge, our Group is in compliance with all the applicable laws and regulations that are material to our business operations. The regulations and policies set out below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for professional advice. Prospective investors should consult their own advisers regarding the implication of the laws and regulations on our Group.

PRC LAWS AND REGULATIONS

Regulations relating to foreign investment

All enterprises in the PRC, including foreign-invested companies, are required to comply with the Company Law of the PRC (《中华人民共和国公司法》) (the “**Company Law**”) promulgated by the NPCSC in 1993 and amended in 1999, 2004, 2005, 2013, 2018 and 2023. The Company Law provides that companies established in China may take the form of limited liability company or joint stock company with limited liability. Each company has the status of a legal person and owns the assets itself. Where there are otherwise different provisions in any other PRC law regarding foreign investment, such provisions shall prevail.

According to the Foreign Investment Law of the PRC (《中华人民共和国外商投资法》) promulgated by the NPC on 15 March 2019 and the Implementing Rules of the Foreign Investment Law of the PRC (《中华人民共和国外商投资法实施条例》) promulgated by the State Council on 26 December 2019, all of which came into effect on 1 January 2020, the State shall implement the management systems of pre-establishment national treatment and negative list for foreign investment. Foreign investors shall not invest in any field forbidden by the negative list for access of foreign investment; for any field restricted by the negative list, foreign investors shall conform to the investment conditions as required; fields not included in the negative list shall be managed under the principle that domestic investment and foreign investment shall be treated uniformly. Meanwhile, the competent government departments shall, according to the requirements of national economy and social development, formulate a catalogue of industries encouraging foreign investment, stipulating the specific industries, fields and areas in which foreign investors are encouraged and guided to invest.

The current industry entry clearance requirements governing investment activities in the PRC conducted by foreign investors are set out in two catalogues, namely the Special Management Measures for the Entry of Foreign Investment (Negative List) (2024 version) (《外商投资准入特别管理措施(负面清单)(2024年版)》), which was jointly promulgated by the National Development and Reform Commission (“**NDRC**”) and the Ministry of Commerce (“**MOFCOM**”) on 6 September 2024 and came into effect on 1 November 2024, and the Encouraged Industry Catalogue for Foreign Investment (2022 version) (《鼓励外商投资产业目录(2022年版)》), which was jointly promulgated by the NDRC and the MOFCOM on 26 October 2022 and came into effect on 1 January 2023. These two catalogues further classified businesses into three categories with regard to foreign investment: “encouraged,” “restricted” and “prohibited.” Industries not listed in these three categories are generally deemed as falling into the fourth category, that is “permitted” for foreign investment unless specifically restricted by other PRC laws and regulations.

Pursuant to the Measures for the Security Review of Foreign Investment (《外商投资安全审查办法》) promulgated by the NDRC and the MOFCOM on 19 December 2020, which came into effect on 18 January 2021, the Office of the Working Mechanism for Security Review of Foreign Investment was set up under the NDRC. Under the leadership of the NDRC and the MOFCOM, the office is responsible for the routine work of the security review of foreign investment.

GOVERNMENT REGULATIONS

Regulations relating to hazardous chemicals operations

Pursuant to the Production Safety Law of the People's Republic of China (《中华人民共和国安全生产法》), promulgated by the NPCSC on 29 June 2002 and implemented on 1 November 2002, and last revised on 10 June 2021 and implemented on 1 September 2021, entities engaged in production and business activities shall satisfy the safety production conditions stipulated by laws, administrative regulations, national standards or industry standards; Those whose facilities do not have the conditions for safe production shall not engage in production and business activities. The safety facilities of new construction, renovation, and expansion projects must be designed, constructed, and put into production and use simultaneously with the main project. Entities that produce, operate, transport, store, use hazardous materials or dispose of waste hazardous materials must comply with relevant laws, regulations, national standards or industry standards, establish specialized safety management systems, adopt reliable safety measures, and accept supervision and management implemented by relevant competent departments in accordance with the law.

Pursuant to the Regulations on the Safety Administration of Dangerous Chemicals (《危险化学品安全管理条例》) promulgated by the State Council on 26 January 2002, which was implemented on 15 March 2002, and latest revised and implemented on 7 December 2013, the state implements overall planning and rational layout for the production and storage of hazardous chemicals. Construction projects that involve the construction, renovation, expansion, production, and storage of hazardous chemicals shall be subject to safety condition review by the safety production supervision and management department. Before carrying out production, hazardous chemical production enterprises shall obtain a hazardous chemical safety production license. Entities that use hazardous chemicals shall comply with the requirements of laws, administrative regulations, national standards, and industry standards in terms of their usage conditions (including processes), and establish and improve safety management regulations and safety operation procedures for the use of hazardous chemicals based on the types, hazardous characteristics, usage amounts, and usage methods of the hazardous chemicals used, to ensure the safe use of hazardous chemicals. Without permission, no entity or individual is allowed to operate hazardous chemicals. In addition, the state implements a registration system for hazardous chemicals, and hazardous chemical production and import enterprises shall apply for hazardous chemical registration with the competent departments.

Regulations relating to import and export of goods

On 12 May 1994, the Standing Committee of the National People's Congress ("NPCSC") issued the Foreign Trade Law of the PRC (《中华人民共和国对外贸易法》), which was last amended by the NPCSC on 30 December 2022 and came into effect on the same day. According to the laws, the foreign trade administrative department under the State Council of China is responsible for managing foreign trade throughout the country. Except as otherwise provided by laws and administrative regulations, the state permits the free import and export of goods and technologies. The government may, when necessary for monitoring import and export activities, implement automatic licensing for certain freely importable and exportable goods and publish a corresponding catalogue. The government may also restrict or prohibit the import or export of specific goods and technologies based on reasons stipulated by law. For goods subject to import or export restrictions, the government may apply management measures such as quotas and licenses; for technologies subject to import or export restrictions, the government shall manage them through a licensing system.

GOVERNMENT REGULATIONS

According to the Customs Law of the PRC (《中华人民共和国海关法》) last amended by the NPCSC on 29 April 2021 and came into effect on the same day, the Customs is a governmental organisation responsible for supervision and control over all arrivals in and departures from the Customs territory, which is authorised to supervise the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collect customs duties and other taxes and fees, prevent and combat smuggling, compile customs statistics and handles other customs operations. Unless otherwise specified, import and export goods can be declared and taxed by the consignee or consignor themselves, or by a customs declaration enterprise commissioned by the consignee or consignor.

Regulations relating to product quality and product liability

On 22 February 1993, the NPCSC promulgated the Product Quality Law of the PRC (《中华人民共和国产品质量法》) (the “**Product Quality Law**”), which came into effect on 1 September 1993. It was last amended by the NPCSC on 29 December 2018 and took effect on the same day. According to the Product Quality Law, the relevant departments of the State Council are responsible for product quality supervision within their respective areas of responsibility. Producers should be responsible for the quality of the products they produce. Sellers should take measures to maintain the quality of the products they sell. The product quality should be inspected and qualified, and unqualified products should not be used to impersonate qualified products. Industrial products that may endanger human health and personal and property safety must comply with national and industry standards that safeguard human health and personal and property safety. Those who have not established national or industry standards must meet the requirements of safeguarding human health and personal and property safety and prohibit the production and sale of industrial products that do not meet the standards and requirements for safeguarding human health and personal and property safety. If the product has defects that cause personal injury or property damage other than the defective product, the producer shall bear the liability for compensation. If the seller’s fault causes defects in the product, resulting in personal or property damage to others, the seller shall bear the liability for compensation.

On 28 May 2020, the National People’s Congress promulgated the Civil Code of the PRC (《中华人民共和国民法典》) (the “**Civil Code**”), which became effective on 1 January 2021. According to the Civil Code, a producer shall bear tortious liability if its product causes damage to others due to a defect. If a defect is found in a product after it has been put into circulation, the producer and the seller shall take remedial measures in a timely manner including, inter alia, withdrawal from sale, alerts and recalls. In the event of damage arising from a failure to take remedial measures in a timely manner or inadequate remedial measures, the producer and the seller shall also bear tortious liability for the damage.

Regulations relating to intellectual property protection

Trademarks

On 23 August 1982, the NPCSC promulgated the Trademark Law of the PRC (《中华人民共和国商标法》), which came into effect on 1 March 1983. It was last amended by the NPCSC on 23 April 2019 and the latest version became effective from 1 November 2019. On 3 August 2002, the State Council promulgated the Implementation Regulations of the Trademark Law of the PRC (《中华人民共和国商标法实施条例》), which came into effect on 15 September 2002. It was last amended by the State Council on 29 April 2014 and the latest version became effective from 1 May 2014. Registered trademarks are protected by relevant laws and regulations such as the Civil Code, the Trademark Law and the Implementation Regulations of the Trademark Law.

GOVERNMENT REGULATIONS

According to the laws, natural persons, legal persons or other organizations that need to obtain exclusive trademark rights for their goods or services in their production and business activities shall apply for trademark registration with the government. The trademark registrant enjoys the exclusive right to use the trademark and is protected by law. The validity period of a registered trademark is ten years, calculated from the date of approval of registration. If the registered trademark expires and needs to be continued to be used, the trademark registrant shall handle the renewal procedures in accordance with regulations within twelve months before expiry.

Patents

On 12 March 1984, the NPCSC promulgated the Patent Law of the PRC (《中华人民共和国专利法》) (the “**Patent Law**”), which came into effect on 1 April 1985. It was last amended by the NPCSC on 17 October 2020 and the latest version became effective from 1 June 2021. On 12 December 1992, the State Council promulgated the Implementation Rules of the Patent Law of the PRC (《中华人民共和国专利法实施细则》) (the “**Implementation Rules of the Patent Law**”), which came into effect on 1 January 1993. It was last amended by the State Council on 11 December 2023 and took effect on 20 January 2024. Patents are protected by relevant laws and regulations such as the Civil Code, the Patent Law and the Implementation Rules of the Patent Law.

According to the laws, inventions and creations that meet the legal requirements may qualify for patent protection. Invention and creations include invention, utility model, and design. Inventions and creations made by performing tasks or mainly utilising material and technological conditions are considered service inventions and creations. The right to apply for a patent for non-service inventions and creations belongs to the inventor or designer. After the grant of invention and utility model patent rights, except as otherwise provided by law, no entity or individual shall, without the permission of the patentee, implement the patent, that is, shall not manufacture, use, offer for sale, sell or import the patented products for production and operation purposes, or use the patented methods or use, offer for sale, sell or import products directly obtained by the patented methods. After the grant of a design patent, no entity or individual may implement the patent without the permission of the patentee, that is, may not manufacture, offer for sale, sell, or import the design patent product for production and operation purposes. The term of invention patent right is twenty years, the term of utility model patent right is ten years, and the term of design patent right is fifteen years, all calculated from the date of application.

Copyrights

On 7 September 1990, the NPCSC promulgated the Copyright Law of the PRC (《中华人民共和国著作权法》), which came into effect on 1 June 1991. It was last amended by the NPCSC on 11 November 2020 and the latest version became effective on 1 June 2021. On 30 May 1991, the State Council promulgated the Implementation Regulations of the Copyright Law of the PRC (《中华人民共和国著作权法实施条例》), which came into effect on 1 June 1991. It was last amended by the State Council on 30 January 2013 and took effect from 1 March 2013. According to these laws, works created by Chinese citizens, legal persons, or non-legal person organizations, whether published or not, are entitled to copyright protection according to the law. Copyright includes a series of personal and property rights such as the right of publication, the right of authorship, the right of modification, the right to protect the integrity of the work and the right of reproduction. Unless otherwise stipulated by law, the copyright belongs to the author. The protection period for the author’s right of authorship, right of modification, and right of integrity is not subject to any time limitation. Other copyright rights of the author are enjoyed within the time periods prescribed by law, depending on the nature of the rights and their holders.

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Domain Names

Domain names are protected by the Administrative Measures for Internet Domain Names (《互联网域名管理办法》), which was promulgated by the Ministry of Industry and Information Technology of the PRC on 24 August 2017 and became effective on 1 November 2017. According to the Administrative Measures for Internet Domain Names, domain names are allocated on a “first applied” basis.

Regulations relating to environmental protection

The Environmental Protection Law of the People’s Republic of China (《中华人民共和国环境保护法》) was promulgated on 26 December 1989 and last amended on 24 April 2014, and came into effect on 1 January 2015. Pursuant to The Environmental Protection Law of the PRC, the pollution prevention and control facilities in construction projects shall be designed, built and commissioned along with the principal part of the project at the same time. The pollution prevention and control facilities shall meet the requirements specified in the approved documents regarding the environmental impact assessment and shall not be dismantled or left idle without authorisation.

The Law of the People’s Republic of China on Environmental Impact Assessment (《中华人民共和国环境影响评价法》) was first promulgated on 28 October 2002, which had been amended twice by the NPCSC and was last revised and came into effect on 29 December 2018. According to law, the construction entity shall, based on the degree of environmental impact of the construction project, prepare an Environmental Impact Statement (EIS), Environmental Impact Report (EIR), or complete an Environmental Impact Registration Form in accordance with the law. The EIS and EIR for construction projects shall be submitted by the construction entity to the competent ecological environment authority with approval power. Environmental Impact Registration Forms are subject to a filing management system. If the environmental impact assessment documents of a construction project have not been reviewed by the relevant approval authority in accordance with the law or have not been approved after review, the construction entity shall not commence construction. During the construction process of the project, the construction entity shall implement simultaneously the environmental protection measures and countermeasures set forth in the EIS, EIR, and the approval opinions issued by the environmental impact assessment authority.

The Law of the People’s Republic of China on the Prevention and Control of Water Pollution (《中华人民共和国水污染防治法》) was last revised by the NPCSC on 27 June 2017 and implemented on 1 January 2018. The law stipulates that the discharge of water pollutants shall not exceed the prescribed water pollutant discharge standards and the total discharge control targets of key water pollutants. Enterprises, institutions and other production and operation units directly or indirectly discharging industrial waste water and medical sewage to waters and enterprises, institutions and other production and operation units required to obtain pollutant discharge license before discharging waste water and sewage must obtain the pollutant discharge license. The pollutant discharge license shall specify requirements on the types, concentration, total amount and discharging direction of the water pollutants to be discharged. In addition, according to the Administrative Measures for the Licensing of Discharge of Urban Sewage into the Drainage Network promulgated by the Ministry of Housing and Urban-Rural Development (《城镇污水排入排水管网许可管理办法》) on 22 January 2015, last revised on 1 December 2022 and effective on 1 February 2023, enterprises, institutions and individual industrial and commercial enterprises engaged in manufacturing, construction, catering and medical activities must apply for a license for the discharge of sewage into the drainage network before discharging sewage into urban facilities.

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On 5 September 1987, the NPCSC promulgated the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中华人民共和国大气污染防治法》) (the **"Prevention and Control of Atmospheric Pollution"**) and was implemented on 1 June 1988. The law was last revised and became effective on 26 October 2018. According to the law, the State implements total emission control over the discharge of key atmospheric pollutants. Enterprises, institutions, and other producers and operators who construct projects that have an impact on the atmospheric environment shall conduct environmental impact assessments and publicly disclose environmental impact assessment documents in accordance with the law. Those who discharge pollutants into the atmosphere shall comply with the emission standards for atmospheric pollutants and comply with the requirements for total emission control of key atmospheric pollutants.

On 1 April 2024, Ministry of Ecology and Environment promulgated the Measures for Pollutant Discharge Permitting Administration (《排污许可管理办法》), which came into effect on 1 July 2024. According to the Measures for Pollutant Discharge Permitting Administration, enterprises, institutions, and other producers and operators that implement pollution discharge permit management in accordance with the law shall apply for and obtain a pollution discharge permit in accordance with the law, and discharge pollutants in accordance with the provisions of the pollution discharge permit. Those who have not obtained a pollutant discharge permit shall not discharge pollutants. Polluting entities shall apply for and obtain a pollutant discharge permit before the actual discharge occurs.

Pursuant to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中华人民共和国固体废物污染环境防治法》) promulgated by the NPCSC on 30 October 1995, implemented on 1 April 1996 and last revised on 29 April 2020 and implemented on 1 September 2020, the necessary supporting facilities for prevention and control of environmental pollution by solid waste specified in the environmental impact assessment document of a construction project shall be designed, constructed and put into operation simultaneously with the main part of the project. The construction unit shall, in compliance with the provisions of relevant laws and regulations, check and accept the supporting facilities for prevention and control of environmental pollution by solid wastes, prepare a report on the acceptance and make it open to the public. Entities and other producers and business operators that generate, collect, store, transport, utilise, or treat solid waste shall take measures to prevent them from being scattered, and their runoff and leakage as well as take other measures against environmental pollution and shall not dump, pile up, discard or scatter solid waste without authorisation.

Regulations relating to real estate and leased properties

According to the Land Administration Law of the PRC (《中华人民共和国土地管理法》) promulgated by the NPCSC on 25 June 1986, and last revised on 26 August 2019 and implemented on 1 January 2020, the land within urban areas belongs to the state. Land in rural areas and suburban areas belongs, except as otherwise provided by law, to peasant collectives. Both state-owned land and land collectively owned by peasants may be legally assigned for use by entities or individuals. Entities and individuals using land have the obligation to protect, manage, and use it in a rational manner. Unless otherwise specially provided, where an entity uses state-owned land, it shall acquire the right to use such land through paid methods such as transfer, and shall use the land in accordance with the agreements stipulated in the land use right transfer contract or other paid usage contracts, or in accordance with the provisions stated in the land use right allocation approval documents. If it is indeed necessary to change the designated use of the land, approval must be obtained. In addition, according to the Civil Code, the creation, modification, transfer, or extinction of a real right in an immovable shall become valid after it is registered in accordance with the law; it shall have no binding force if it is not registered in accordance with the law, except as otherwise provided for by any law.

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According to the Law of the PRC on the Administration of Urban Real Estate (《中华人民共和国城市房地产管理法》), which was promulgated by the NPCSC on 5 July 1994, and last revised on 26 August 2019 and implemented on 1 January 2020, and the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租赁管理办法》), which came into effect on 1 February 2011, a written lease contract shall be concluded between the lessor and the lessee for leasing a building and shall agree on the terms and conditions such as the term, purpose and price of leasing and liability for maintenance and repair, etc. as well as other rights and obligations of both parties. The contract shall be filed for registration and record with the real estate administration department. Any party failing to complete the leasing registration and filing formalities shall be ordered by the competent government department to rectify within a stipulated period; where an organisation fails to rectify within the stipulated period, a fine ranging from RMB1,000 to RMB10,000 shall be imposed.

Regulations relating to foreign exchange

Pursuant to the Regulations of the PRC on Foreign Exchange Control (《中华人民共和国外汇管理条例》) issued by the State Council on 29 January 1996 and most recently amended on 5 August 2008 and relevant regulations issued by the State Administration of Foreign Exchange of the PRC (“SAFE”), RMB is convertible into other currencies for current account items, such as trade and services-related receipts and payments and payment of interest and dividends. Such conversion is required to be made on true and legitimate transaction basis and can be processed directly at a bank against authentic and valid transaction documents. The conversion of RMB into other currencies and remittance of the converted foreign currencies outside the PRC under capital account items, such as direct equity investments and loans, requires the prior approval from, or registration with, SAFE or its local branch or its designated bank.

Laws and Regulations on Foreign Debts

According to the Interim Measures for the Administration of Foreign Debt (《外债管理暂行办法》) revised in 2022, domestic Chinese funded enterprises and other institutions borrowing medium and long-term international commercial loans must obtain approval from the NDRC; borrowing short term international commercial loans are subject to balance management, and the balance is approved by the SAFE. The cumulative amount of medium and long-term foreign debt borrowed by foreign-invested enterprises and the balance of short-term foreign debt should be kept within the difference between the total investment and registered capital of the project approved by the approval department.

According to the Administrative Measures for Review and Registration of Medium- and Long-term Foreign Debts of Enterprises (《企业中长期外债审核登记管理办法》), effective as of 10 February 2023, enterprises borrowing medium and long-term foreign debts shall comply with the procedures of foreign debt review and registration in accordance with regulations before borrowing foreign debts. The review and registration authority shall issue a certificate within 3 months from the date of acceptance for review and registration applications that meet the requirements. Enterprises shall submit the information of borrowing foreign debt to the examination and registration authority through the network system within 10 working days after borrowing each foreign debt. The actual use of funds raised from external debts of enterprises should be consistent with the content of the registration certificate and shall not be diverted for other purposes.

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According to the Administrative Measures for Foreign Debt Registration (《外债登记管理办法》), effective as at 13 May 2013 and amended on 4 May 2015, and its operating guidelines, issuers of foreign debt are required to register with SAFE. Issuers other than banks and financial departments of the PRC government shall go through registration or record-filing procedures with the local branch of SAFE within the prescribed time on a case-by-case basis.

Regulations relating to dividends distribution

Pursuant to the Company Law of the PRC (《中华人民共和国公司法》) promulgated by NPCSC on 29 December 1993 and most recently amended on 29 December 2023 with effect as of 1 July 2024, companies in the PRC may pay dividends only out of their accumulated profits, if any, as determined in accordance with the PRC accounting standards and regulations. Additionally, companies are required to set aside 10% of their accumulated profits each year, if any, to the statutory reserve fund, until such time as the accumulative amount of such fund reaches 50% of the companies' registered capital. The statutory reserve fund is not distributable as cash dividends.

Regulations relating to employment and social welfare

Employment

The Labour Law of the PRC (《中华人民共和国劳动法》) was promulgated by the NPCSC on 5 July 1994 and was last amended on 29 December 2018 and became effective on the same date. According to the law, the State adopts a standard work week where an employee shall not work for more than eight hours a day and no more than 44 hours a week on average. The employers may follow other rules on work and rest with the approval by labour administrative departments. The State implements a system of guaranteed minimum wages, and the wages paid by employers to workers shall not be lower than the local minimum wage standard. Employers must establish and improve the system for occupational safety and health, strictly implement the national protocols and procedures on occupational safety and health required by the State and provide education on occupational safety and health to employees, and guard against labour safety accidents and reduce occupational hazards.

Pursuant to the Labour Contract Law of the PRC (《中华人民共和国劳动合同法》) promulgated by NPCSC on 29 June 2007 and revised on 28 December 2012 with effect from 1 July 2013 and the Regulations on the Implementation of the Labour Contract Law of the PRC (《中华人民共和国劳动合同法实施条例》) issued by the State Council on 18 September 2008, employers shall establish and improve labour rules and regulations in accordance with the law to ensure that employees enjoy labour rights and perform labour obligations. When an employer establishes a labour relationship with an employee, a written labour contract shall be entered into. An employer must pay employee remuneration in a timely fashion and in the full amount in accordance with the provisions of relevant labour contract and State regulations. Separately, an employer must strictly abide by the fixed standard of labour work, and must not force or threaten an employee in disguise to work overtime. If the employer arranges overtime duties, it shall pay overtime wage to the employee in accordance with the relevant provisions of the State.

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Social Insurances

Pursuant to the Social Insurance Law of PRC (《中华人民共和国社会保险法》) promulgated by NPCSC on 28 October 2010 and most recently amended on 29 December 2018, the PRC establishes a social insurance system including basic pension insurance, basic medical insurance, work related injury insurance, unemployment insurance and maternity insurance. An employer shall pay the premiums of the social insurances for its employees in full and on time in accordance with the prescribed base and ratio.

Employers who fail to register with the social insurance authority may be ordered to rectify such failure within a specific time period. If the employer fails to rectify the failure to register within a specified time period, a fine of one to three times the payable premium may be imposed. If the employer fails to make social insurance contributions on time and in full, the social insurance contributions collecting agency shall order the employer to make up the shortfall within the prescribed time period and impose a late payment fee amounting to 0.05% of the unpaid amount for each day overdue. If the non-compliance continues, the employer may be subject to a fine ranging from one to three times the amount of the outstanding contributions.

Pursuant to the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security of the PRC (中华人民共和国人力资源和社会保障部) (“MOHRSS”) on Effectively Implementing the Spirit of the Standing Meeting of the State Council and Effectively Conducting the Collection of Social Insurance Premiums in a Stable Manner (《关于贯彻落实国务院常务会议精神切实做好稳定社保费征收工作的紧急通知》) (the “Urgent Notice”) issued by the General Office of the MOHRSS on 21 September 2018, it was clarified that prior to the reform of the social insurance collection authorities being in place, the relevant levying policies, including the base and rate of the social insurance premiums, shall remain unchanged. The Urgent Notice also clarified that it is strictly prohibited for the local authorities themselves to organise and conduct centralised collection of enterprises’ social insurance arrears.

Housing funds

Under the Regulations on the Administration of Housing Fund (《住房公积金管理条例》) issued by the State Council on 3 April 1999 and most recently amended on 24 March 2019, an employer shall register for the housing fund contribution with the housing fund management centre, complete the procedures for establishing housing fund accounts for its employees, pay the housing fund for its employees in full and on time in accordance with the prescribed base and ratio, and pay the housing fund that should be assumed by the employees. If the employer does not register the contribution of the housing provident fund or does not establish housing provident fund account for its employees, the housing provident fund management center shall order the employer to do so within a time limit. The employer that fails to comply with the procedures within the time limit, shall be given a fine of RMB10,000 to RMB50,000. If the employer fails to contribute to the housing provident fund within the time limit, the housing provident fund management center shall order it to make the requisite contributions within a time limit. The employer that fails to contribute to the housing provident fund within the time limit, it may apply to the people’s court for enforcement.

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Regulations on Taxation

Enterprise income tax

Pursuant to the Law on Enterprise Income Tax Law of the PRC (《中华人民共和国企业所得税法》) promulgated by NPCSC on 16 March 2007 and most recently amended on 29 December 2018 and the Regulations on Implementation of the Law on Enterprise Income Tax of the PRC (《中华人民共和国企业所得税法实施条例》) issued by the State Council on 6 December 2007 and most recently amended on 23 April 2019, taxpayers of enterprise income tax include resident enterprises and non-resident enterprises. Resident enterprises refer to the enterprises established according to laws of the PRC in the PRC or established under the laws of foreign countries (regions) with the actual management located in the PRC. Non-resident enterprises refer to the enterprises established under the laws of foreign countries (regions) with the actual management located outside the PRC, which have establishment or place of business in the PRC or have no establishment or place of business in the PRC but have incomes originating from the PRC.

The statutory standard enterprise income tax rate is 25%. The non-resident enterprises that have no establishment or place of business in the PRC, or that have establishment or place of business in the PRC but their income is not actually related to such establishment or place of business, shall pay enterprise income tax at the reduced rate of 10% for their income originating from the PRC.

Value-Added Tax

Pursuant to the Interim Regulations on Value-added Tax of the PRC (《中华人民共和国增值税暂行条例》) issued by the State Council on 13 December 1993 and most recently amended on 19 November 2017, enterprises and individuals that sell goods or provide services of processing, repair or replacement, or sell services, intangible assets, or real estates or import goods within the territory of the PRC are taxpayers of value-added tax, and shall pay value-added tax in accordance with such regulations. On 25 December 2024, the NPCSC promulgated the VAT Law of the PRC (《中华人民共和国增值税法》), which will come into effective on 1 January 2026, and replace the Interim Regulations on Value-added Tax of the PRC.

According to the Interim Value-Added Tax Regulations of the People's Republic of China, the Circular of the Ministry of Finance and the STA on Adjusting Value-added Tax Rates (Cai Shui [2018] No. 32) (《财政部、税务总局关于调整增值税税率的通知》) issued by the Ministry of Finance and the STA on 4 April 2018, and took effect on 1 May 2018 and the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《财政部、税务总局、海关总署关于深化增值税改革有关政策的公告》) promulgated by the Ministry of Finance, the STA and the General Administration of Customs on 20 March 2019 and took effect on 1 April 2019, the value-added tax rates applicable to ordinary taxpayers are 13%, 9% and 6%, and the rate applicable to small-scale taxpayers is 3%.

Regulations relating to Overseas Securities Offering and Listing by Domestic Companies

On 17 February 2023, the China Securities Regulation Commission (“CSRC”) released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境内企业境外发行证券和上市管理试行办法》) (the “**Trial Measures**”), which came into effect on 31 March 2023. On the same date, the CSRC circulated Supporting Guidance Rules No. 1 through No. 5, Notes on the Trial Measures, Notice on Administration Arrangements for the Filing of

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Overseas Offerings and Listings by Domestic Enterprises and relevant CSRC Answers to Reporter Questions (collectively, the “**Guidance Rules and Notice**”) on the CSRC’s official website.

Under the Trial Measures and the Guidance Rules and Notice, domestic companies conducting overseas securities offering and listing activities, either in direct or indirect form, shall complete filing procedures with the CSRC. In particular, any overseas offering and listing made by an issuer that meets both the following conditions will be determined as indirect offering and listing in overseas market: (i) 50% or more of the issuer’s operating revenue, total profit, total assets or net assets, as documented in its audited consolidated financial statements for the most recent accounting year, is accounted for by domestic companies; and (ii) the main parts of the issuer’s business activities are conducted in the PRC, or its main places of business are located in PRC, or the senior managers in charge of its business operation and management are mostly PRC citizens or habitually reside in the PRC.

Pursuant to the Guidance Rules and Notice, if an issuer does not meet the abovementioned conditions but submits a listing application as non-domestic issuer to an overseas stock exchange in line with the relevant regulations, and the risk factors disclosed are mainly related to the PRC, the substance over form principle shall be followed and a comprehensive analysis shall be made on whether the issuer falls within the scope of the filing regime or not.

Pursuant to the Trial Measures, where a domestic company fails to fulfil the filing procedure as stipulated in the Trial Measures, the CSRC order the situation to be rectified, issue a warning to such domestic company, and impose a fine in a range between RMB1,000,000 and RMB10,000,000. Directly liable persons-in-charge and other directly liable persons shall be subject to a warning and each imposed with a fine in the range between RMB500,000 and RMB5,000,000.

The Listing does not constitute a direct or indirect overseas listing by a PRC company under the Trial Measures, or Guidance Rules and Notice, and therefore is not subject to filing with the CSRC. Our Group’s PRC subsidiaries accounted for less than 25% of our Group’s consolidated operating revenue, net profit, total assets and net assets respectively for FY2024. Out of our Group’s 11 Directors and Executive Officers, only two are PRC citizens and habitually reside in the PRC. Our Group conducts its business, its operations, factories and premises in Asia, and not mainly in the PRC. Based on the above, the Legal Advisers to our Company on PRC Law are of the opinion that the Listing does not constitute a direct or indirect overseas listing by a PRC company under the Trial Measures, or Guidance Rules and Notice, and therefore is not subject to filing with the CSRC.

INDONESIA LAWS AND REGULATIONS

General Overview on Laws and Regulations on Tax Matters

Indonesia’s tax regime is governed primarily by the following laws:

- Law No. 6 of 1983 on General Provisions and Tax Procedures, as amended (the “**General Tax Law**”);
- Law No. 7 of 1983 on Income Tax, as amended (the “**Income Tax Law**”); and
- Law No. 8 of 1983 on Value Added Tax on Goods and Services and Sales Tax on Luxury Goods, as amended (the “**VAT Law**”).

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Income Tax

Indonesia adopts a withholding tax system whereby the payer is generally responsible for withholding/collecting applicable taxes. The key income tax categories include:

(a) Final Income Tax (Article 4(2) of the Income Tax Law):

Certain types of income are subject to final income tax, calculated on gross income and not creditable against annual income tax liabilities. These include:

i. Interest Income:

- Interest from deposits and other savings (20% from the gross amount).
- Interest or discounts from short-term securities traded in the money market (20% from the gross amount).
- Interest on savings paid by cooperatives (*koperasi*) to individual members (0% if the amount is less than IDR240,000 (approx. USD14) monthly; 10% if the amount exceeds that threshold, calculated from the gross amount).

ii. Capital Market Transactions:

- Transactions involving shares and other securities on the Indonesian Stock Exchange (0,1% of gross transaction value, excluding income tax for broker fee).

iii. Assets Transfers and Real Estate Activities:

- Transfer of assets in the form of land and/or buildings (2,5% of the gross transaction value or the Sales Value of Taxable Object (i.e., the government-assessed value), whichever is higher).
- Lease of land and/or buildings (10% of the gross lease income).

Certain dividends are exempt from withholding tax, including:

- i. Domestically sourced dividends received or accrued by: (i) individual taxpayer, provided the dividend is invested in Indonesia within a certain period, or (ii) a corporate taxpayer; and
- ii. Foreign-sourced dividends and income after tax from an overseas permanent establishment received or accrued by a corporate taxpayer or an individual taxpayer that fulfils the requirements set out in Article 4(3)(f.2.) of Income Tax Law.

(b) Capital Gain Income Tax (Article 17(1) of Income Tax Law):

A company is considered a resident of Indonesia for tax purposes if it is either incorporated or domiciled in Indonesia. A foreign company conducting business through a permanent establishment in Indonesia is generally subject to the same tax obligations as a resident taxpayer. In general, a flat corporate income tax rate of 22% applies to net taxable income. However, certain enterprises with an annual gross turnover of not more than IDR 4.8 billion are subject to a final income tax of 0.5% on gross turnover.

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For individual taxpayers, the following progressive tax rates apply:

Taxable Income Bracket (IDR) – Annual Basis	Applicable Tax Rate
Up to 60 million	5%
60 – 250 million	15%
250 – 500 million	25%
500 million – 5 billion	30%
Above 5 billion	35%

(c) Tax on Employee and Individual Income (Article 21 of Income Tax Law):

Employment income, whether earned under an employment arrangement, freelance engagement, or consultancy (such as salaries, bonuses, or consultancy fees, as applicable), is subject to progressive rate (as above), which is withheld by the employer or payer.

(d) Income Tax on Imported Goods (Article 22 of Law No. 36/2008):

Imposed on the import of goods at rates ranging from 2.5% to 7.5%, based on the import value.

(e) Income Tax on Certain Types of Income Paid to Resident Taxpayers in Indonesia (Article 23 of Law No. 36 of 2008):

The types of income subject to this tax, along with the corresponding tax rates, are as follows:

Type of Income	Applicable Tax Rate
Dividends, royalties	15% from the gross amount
Rent (excluding land/buildings)	2% from the gross amount

(f) Income Tax on Certain Types of Income Paid to Non-Residents/Foreign Taxpayers (Article 26 of Income Tax Law):

Resident/local taxpayers, organisations and representatives of foreign companies are required to withhold tax at a rate of 20% from the following payments to non-resident taxpayers:

i. Based on the gross amount:

- Dividends;
- Interest, including premiums, discounts, and compensation related to debt repayment guarantees;
- Royalties, rent, and other income related to the use of assets;
- Compensation related to services, work, and activities;

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- Prizes and awards;
 - Pensions and other periodic payments;
 - Swap premiums and other hedging transaction payments; and
 - Gains from debt forgiveness.
- ii. Based on the estimated net income, among others, concerning income generated of the following:
- Sale of non-listed Indonesian company shares, with an effective tax rate of 5% on the gross sale value;
 - Sale of luxurious goods with sale value of over IDR10 million, with an effective tax rate of 5% on the gross sale value.

If the income recipient is a resident of a country that has a tax treaty with Indonesia, the applicable withholding tax rate may be reduced or exempted in accordance with the treaty provisions.

1. Value-Added Tax

The Value-Added Tax (“**VAT**”) is generally payable on the transfer of taxable goods or the provision of taxable services in the Indonesian customs area, which includes the following:

- a. Transfer of rights to taxable goods under an agreement;
- b. Transfer of taxable goods under a hire-purchase agreement and/or leasing agreement;
- c. Delivery of taxable goods to intermediaries or through auction officials;
- d. Self-use and/or free-of-charge delivery of taxable goods;
- e. Taxable goods in the form of inventory and/or assets originally not intended for sale, which remain at the time of company liquidation;
- f. Delivery of taxable goods from head office to branch or vice versa, and/or between branches; and/or
- g. Delivery of taxable goods by a VAT-Registered Entrepreneur under a financing agreement based on sharia principles, where the delivery is deemed to be directly from the VAT-Registered Entrepreneur to the party requiring the taxable goods.

As to the latest regulations:

- The standard VAT rate is 12%, although in most cases, the effective VAT rate is 11% due to specific tax base treatments (*Dasar Pengenaan Pajak Nilai Lain*).
- VAT may also apply at a 12% rate for certain luxury goods.

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2. Regional Taxation

In addition to national taxes, Indonesia also imposes regional taxes on goods and services that are not administered at the national level by the Directorate General of Taxes and are classified as regional tax objects. These taxes are administered by local governments and include, among others:

- Land and Building Tax (Pajak Bumi dan Bangunan);
- Retributions: fees for using regional services such as parking, waste management, etc.

Tax rates and objects may vary across different regencies and municipalities.

3. Enforcement of Tax Obligations

The General Tax Law provides a structured framework for tax audits and enforcement, overseen by the Directorate General of Taxes (“DGT”). The process typically begins with the issuance of a Tax Audit Order (Surat Perintah Pemeriksaan or SP2), which authorises the DGT officers to initiate an audit to assess whether a taxpayer has fulfilled their tax obligations, as stipulated under Article 29(2) of the law.

Following the SP2, the taxpayer will receive a Tax Audit Notification Letter, which outlines the scope and purpose of the audit, along with the taxpayer’s rights and obligations during the process. The audit itself may be conducted either at the DGT office or on the taxpayer’s premises and includes collection and review of financial data, interviews with relevant personnel, and an analysis of the taxpayer’s tax position (Article 29(3) and 29(3a)).

After the audit process is completed, a final discussion will be held between the DGT and the taxpayer. During this meeting, the auditors will present their findings, and the taxpayer is given the opportunity to provide clarifications or submit additional evidence.

The results of the audit are then documented in a Tax Audit Report (Laporan Pemeriksaan Pajak or LPP), which forms the basis for the issuance of assessment letters. If underpayment of tax is found, the DGT may issue a Tax Underpayment Assessment Letter (Surat Ketetapan Pajak Kurang Bayar or SKPKB). If additional tax liability arises based on new data, an Additional Tax Underpayment Assessment Letter (SKPKBT) may be issued.

Sanctions for non-compliance may include administrative fines (i.e., increase in the sum of obligations that needs to be paid by the taxpayer). In more serious cases, such as tax evasion, the DGT may pursue criminal sanctions. Enforcement measures include issuance of warning letters and, if the tax obligation remains unsettled, a Forced Collection Letter (Surat Paksa), which may allow DGT officers to seize and auction the taxpayer’s assets to recover the outstanding tax liability.

The procedures described above are also applicable at the regional level, with audits conducted by officers from the local revenue office (badan pendapatan daerah), depending on the nature of the tax (e.g., regional taxes).

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Legal Remedies

Taxpayers have access to legal remedies to challenge audit outcomes or tax assessment letters issued by the DGT or regional authorities. The process generally follows this sequence:

1. **Objection:** Filed with the tax office or regional agency that issued the relevant determination.
2. **Appeal:** If the objection is rejected, the taxpayer may appeal the decision to the Tax Court.
3. **Judicial Review:** If dissatisfied with the Tax Court's decision, the taxpayer may file for a civil review with the Supreme Court.

Regulations Concerning Hazardous Chemicals, Disposal of Chemical Waste and Environment, Health, and Safety

1. General Environmental Regulations

Environmental protection and management in Indonesia are primarily governed by Law No. 32 of 2009 on Environmental Protection and Management, as amended ("**Law 32/2009**"), and its implementing regulation, including GR No. 22/2021, overseen by the Ministry of Environment, as well as the issuing authorities of PT Zhong Bu Adhesive and PT Zhongbu Resins' Environmental Approvals, namely the Environmental Control Agency of the Local Government of Tangerang City and PT Kawasan Industri Kendal. These laws set out the obligations of business undertakings to ensure that their operations do not harm the environment and require the appropriate Environmental Approval to be obtained before commencing any business activities.

Environmental Approvals in Indonesia are classified into the following categories, based on the scale and environmental impact of the business activity:

- (i) Environmental Impact Analysis ("**AMDAL**") required for business activities with significant environmental impact;
- (ii) Environmental Management Efforts and Environmental Monitoring Efforts ("**UKL-UPL**"), for business activities with no significant environmental impact; and
- (iii) Statement Letter of Environmental Management and Monitoring Capability ("**SPPL**") for business activities that do not have a significant environmental impact and are not subject to AMDAL or UKL-UPL requirements.

There have been several regulatory changes in the environmental licensing regime for companies over the past few years. However, under GR No. 22/2021, any environmental licenses issued prior to its enactment remain valid, provided there is no change in the company's business activities that would affect its environmental risk profile.

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PT Zhong Bu Adhesive has obtained the necessary environmental licenses and/or approvals to conduct its business activities, in the form of:

- a. An SPPL for the Adhesive/Glue Industry (KBLI 20291) and Wholesale Trading of Chemical Materials and Goods (KBLI 46651) issued on 3 February 2025; and
- b. UKL-UPL Recommendation No. 660/909-Konservasi issued on 8 July 2011 under the previous licensing regime, which remains valid provided there is no change to the company's business activities that would affect its environmental risk.

As for PT Zhongbu Resins, the company is still under construction and has not yet commenced operational or commercial activities. Accordingly, it is not yet subject to the obligation to obtain the environmental licenses and/or approvals.

2. Occupational Health and Safety Regulations

Occupational Health and Safety (“K3”) in Indonesia is primarily governed by Law No. 1 of 1970 on Occupational Safety and its implementing regulations, including those issued by the Ministry of Manpower (“MOM”). Employers are required to comply with specific K3 obligations, depending on the nature and scale of their operations, including the establishment of safety committees, preparation of a K3 system manual, and the licensing of equipment and operators. The regulatory body overseeing the compliance of K3 requirements is the MOM.

(a) K3 Committee (“P2K3”)

Pursuant to MOM Regulation No. PER-04/MEN/1987 on P2K3 and Procedures for Appointment of K3 Expert (“MOM Reg. 04/1987”), the entrepreneur or management of every workplace is required to establish a P2K3 if it meets either of the following criteria:

- (i) The workplace employs 100 or more employees; or
- (ii) The workplace employs fewer than 100 employees, but utilises equipment, processes, or installations that carry a high risk of explosion, fire, poisoning, or radioactive radiation.

Under MOM Reg. 04/1987, the P2K3 must include representatives of both the employer and employees, comprising a Chair, Secretary, and Members. The Secretary must be a certified K3 Expert from within the company. The P2K3 is obligated to report its activities to the MOM through the local Manpower Office every three months.

PT Zhong Bu Adhesive does not employ 100 or more employees but does utilise equipment that may fall within the definition of high-risk installations. As such, it may be subject to the requirement to establish a P2K3. PT Zhong Bu Adhesive has formed an internal P2K3 and as at the Latest Practicable Date, PT Zhong Bu Adhesive has submitted all required P2K3 activity reports.

Non-compliance with the reporting obligation may result in administrative sanctions under Law No. 1 of 1970 on Occupational Safety, including imprisonment for up to three months or a fine of up to IDR100,000.

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(b) K3 System Manual (“SMK3”)

Government Regulation No. 50 of 2012 on the Implementation of Occupational Safety and Health System Manual (“GR 50/2012”) requires companies to implement a formal Occupational Health and Safety Management System (SMK3) if:

- (i) They employ 100 or more workers; or
- (ii) Their operations pose a high level of occupational risk, i.e. any companies engaged in activities that involve potential hazards capable of causing injury or loss of human life, disrupting production processes, or polluting the work environment.

An SMK3 must cover policy development, planning, implementation, evaluation, and continual improvement of K3 practices in the workplace. PT Zhong Bu Adhesive has prepared Standard Operating Procedure (SOP) No. ZBAI-HSE-SOP.01 dated 1 January 2024, which addresses its internal K3 management system and is intended to support compliance with SMK3 requirements.

(c) K3 License Equipment and K3 License Operator

Any company that operates the following equipment is required to obtain both a K3 Equipment Inspection Report (Laporan Riksa Uji K3) and a K3 Operator License (Lisensi K3 Operator):

- (i) Lifting Equipment (Pesawat Angkat Angkut): MOM Regulation No. 8 of 2020 on the Occupational Safety and Health of Lifting Equipment regulates that every lifting equipment (including Forklift) must be operated by a licensed K3 Operator.
- (ii) Steam Vessel (Pesawat Uap): Steam Ordinance of 1930 regulates that every Steam Vessel (including Boiler and Steam Kettle) must be operated by a licensed K3 Operator.
- (iii) Electrical Installation (Instalasi Listrik): MOM Regulation No. 12 of 2015 on the Electrical Occupational Health and Safety in Workplace as lastly amended by MOM Regulation No. 33 of 2015 regulates that every electrical installation (including Electrical Generator (Genset)) with a power over 200 KVA must be operated by a K3 Operator in the field of Electricity.
- (iv) Electrical Channeling Installation (Instalasi Penyalur Petir): MOM Regulation No. PER.02/MEN/1989 on the Inspection of Electrical Channelling Installation as lastly amended by MOM Regulation No. 31 of 2015 stipulates that electrical channeling installations are not required to be operated by a licensed K3 Operator.

PT Zhong Bu Adhesive has obtained the required K3 Licenses for all of the equipment that it currently operates.

As of the date of this Offer Document, PT Zhong Bu Resins is not yet operational and does not currently employ any employees or utilise equipment that would be subject to K3 regulations. Accordingly, it is not presently subject to the requirements under the K3 regulations. Once PT Zhong Bu Resins commences operations and deploys equipment or personnel within the scope of applicable K3 regulations, it will be required to comply with all relevant occupational health and safety obligations under Indonesian law.

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3. Hazardous and Toxic (B3) Waste Disposal

Pursuant to GR No. 22/2021, companies that generate hazardous and toxic waste (*Bahan Berbahaya dan Beracun*, or “**B3 Waste**”) are required to manage such waste either through internal processing facilities or by engaging licensed third-party service providers for transportation, collection, processing, and/or utilisation.

PT Zhong Bu Adhesive, as a B3 Waste producer, does not process its own B3 Waste and has accordingly appointed a licensed third party to manage its B3 Waste, for the transport of B3 Waste to be collected, processed and utilised by third party service providers in accordance with applicable environmental laws and regulations.

As PT Zhong Bu Resins is currently in the construction phase and has not commenced operations, it is not currently subject to B3 Waste management obligations. The company will be required to comply with applicable B3 Waste regulations upon the commencement of its operations and if it generates B3 Waste.

4. Wastewater Disposal:

Pursuant to GR No. 22/2021, business activities subject to mandatory SPPL that engage in wastewater disposal are required to conduct wastewater treatment prior to discharge and/or utilisation. Further, such treatment may be carried out through cooperation with other business undertakings and/or the government.

PT Zhong Bu Adhesive does not produce industrial wastewater in the course of its business operations. The company only generates domestic wastewater, which is treated through an on-site septic tank system before being discharged into the industrial estate’s wastewater infrastructure. As such, PT Zhong Bu Adhesive is not currently subject to the obligation to establish an industrial wastewater treatment system under GR No. 22/2021, but we will be required to comply with these requirements in the event PT Zhong Bu Adhesive engages in wastewater disposal.

Similarly, PT Zhong Bu Resins is still in the construction phase and has not commenced operations. Therefore, it is not yet subject to wastewater treatment obligations. However, it will be required to comply with the applicable regulations upon the commencement of its operations, should it engage in wastewater discharge.

Regulations Affecting the Construction of the New Indonesia Plant

1. Overview of Land Tenure System and Ownership Rights in Indonesia

Under Indonesian law, land tenure is governed primarily by Law No. 5 of 1960 on the Basic Agrarian Principles (the “**Agrarian Law**”) and its implementing regulations. Land in Indonesia is broadly categorized into: (i) uncertificated land titles; and (ii) certificated land titles.

(a) Uncertificated Land Titles

Uncertificated Land Titles also land titles owned by individuals on the basis of local customary (*adat*) law (*adat land*) or title derived from the old Dutch statutes (western land). Upon the enactment of the Agrarian Law, individuals’ ownership over *adat* land or western land should have been converted into HM. In practice, however, to date, there are still *adat* land and western land titles that have not been converted.

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Since Indonesian *adat* land was not registered in the land registry of the land office, individual ownership over *adat* land is not evidenced by a land title certificate but is customarily evidenced by a letter of payment of land and building tax, such as *girik*, *petuk*, *kekitir*, letter C, or other documents used to proof possession over uncertificated land (“**Uncertificated Land Documents**”). Documents like *girik*, *petuk*, *kekitir* or letter C was evidence of previous payment of tax over *adat* land issued by the local authority. Nowadays, *girik*, *petuk*, *kekitir* or letter C is no longer applicable and has been replaced by land and building tax (*Pajak Bumi dan Bangunan* or “**PBB**”) return.

Strictly speaking, the holder of *adat* land does not have a strong legal basis for their ownership because *adat* land is not a land title that is recognised by the Agrarian Law. In practice, the holder of *adat* land, as long as they can show evidence that they control and occupy the land, and in some cases, pay the tax in connection with such land, can defend their right of “ownership”. According to Government Regulation No. 24 of 1997 on Land Registration, as partially revoked by Government Regulation No. 18 of 2021 (“**GR 24/1997**”), Uncertificated Land Documents also serve as written evidence of possession over a land. Though both land title certificates and Uncertificated Land Documents are written documents evidencing ownership and possession over a land, Uncertificated Land Documents do not serve as strong evidence of ownership over a land but is merely valid written evidence to prove possession over an uncertificated land. It is however not applicable in all cases.

(b) Certificated Land Titles

From a legal standpoint, the strongest evidence of right over a land is a land title certificate. GR 27/2007 stipulates that land title certificate is a proof of rights which serves as strong evidence regarding the physical and juridical data stated therein, as long as such physical and juridical data are in accordance with the data stated in the measurement letter and relevant land book. The physical data mentioned herein refers to a description of the location, boundaries, and area of the land, whereas juridical data refers to the legal status of the land, including holder of the land title and any encumbrances of the land. As the land title certificates are issued by the local land office, the physical and juridical data stated in the land title certificates have gone through land checking and verification processes. The process is to ensure that a plot of land located in a certain area truly belongs to the rightful person. There are several types of land titles recognised under Indonesian law, which are as follows:

i. Right of Ownership (*Hak Milik* or “HM”)

HM is the strongest and the fullest ownership title over a plot of land. HM usually can only be held by Indonesian natural persons/individuals and certain corporate as determined by the government. Unlike other titles which will be explained further below, HM has an unlimited period.

ii. Right to Build (*Hak Guna Bangunan* or “HGB”)

HGB is a limited period land title that commonly owned by a legal entity. The land title is initially issued for a maximum period of 30 years, and a possible extension of maximum 20 years and renewal for a maximum period of 30 years. The holder of the title can utilise and build buildings and fixtures during such period. HGB may be held only by Indonesian individuals and Indonesian legal entities.

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HGB is permitted for the construction of buildings with industrial purposes, as further elaborated in the below table regarding permitted activities for each land titles.

iii. Right to Use (*Hak Pakai* or “HP”)

HP is a right issued to utilise land and resources over the land to support the business of its holder. An HP gives the holder a right to utilise and/or collect proceeds from the land. The grantor of an HP may apply specific restrictions on the intended use of the land. HP is currently categorized into time-limited HP (“**THP**”) and usage-based HP (“**UHP**”). THP can be granted to Indonesians; Indonesian legal entities; foreign legal entities having a representative in Indonesia; religious and social bodies; and foreigners. Meanwhile, UHP is for central government institutions; local government; village government; and representatives of foreign countries and international organizations. THP can be issued on state land, HM land, or HPL land. The term of THP on state land is currently up to 30 years, with an extension of up to 20 years and renewal of up to 30 years.

iv. Right to Cultivate (*Hak Guna Usaha* or “**HGU**”)

HGU is also a common land title owned by a legal entity. HGU may be granted upon state owned lands and lands with management rights (“**HPL**”).

HGU is a land title for limited period that can be owned by Indonesian individuals or Indonesian legal entities for a maximum of 35 years, with a possible extension of 25 years and a possible renewal of up to 35 years. Furthermore, a renewal application must be filed at the latest two (2) years after the expiry of the HGU or its extension.

v. Right to Manage (*Hak Pengelolaan* or “**HPL**”)

HPL is a right of the State to control the land, an implementation of which is partially delegated to the holder of HPL. HPL originates from state or community land and can only be granted to: (i) Institution of the Central Government; (ii) Regional Government; (iii) Land bank agency; (iv) State Owned Companies (Badan Usaha Milik Negara or BUMN)/Regional Owned Companies (Badan Usaha Milik Daerah or BUMD); (v) legal entity owned by the State/region; or (vi) legal entity appointed by the Central Government.

The holder of HPL may use the land itself or in collaboration with a third party, which may in turn sub-grant the right to use the land to a third party. In the event that the land is used in collaboration with a third party, the holder of HPL is entitled to determine the fee or other contribution to be paid or made by the third party and a land utilisation agreement must be entered into by the HPL holder and the third party. In such circumstances, the third party may be granted a derivative land title (i.e., HGU, HGB, or HP) over the HPL land – the derivative title in effect “piggybacks” on the HPL title. Legal acts involving the derivative title (such as the grant of a security interest over the derivative title or the transfer of the derivative title to a third party) must be accompanied by a recommendation from the HPL holder.

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The land titles in Indonesia have specific purpose for each of its utilizations. Please refer to the table below:

Land Title	Permitted Activities	Transferability
HM	All activities are generally permitted, to the extent it is in accordance with the prevailing laws and the zoning of the land.	✓
HGB	Housing, office, industry , warehouse, shop, hotel, flats, power plant or other uses in the form of buildings. This also includes the supporting facilities of such buildings such as golf yard, agritourism, hatchery and breeding farm.	✓
HP	Agricultural (for plants not accommodated in the kind of agricultural plants) and non-agricultural activities. The non-agricultural activities include government office, office foreign entity with representative in Indonesia, foreign country and international agency's representative office, mineral and coal mining activities, oil and gas and other non-agricultural activities.	✓ Transfer of HP land must be reported to the Ministry of Agrarian and Spatial Planning/ Head of National Land Agency
HGU	Agricultural, livestock, and fishery/aquaculture business activities. The agricultural activities include plantation business, food crops and/or horticultural crops. HGU land can be used for emplacements, factory buildings, warehouses, temporary employee residences and other buildings that support business activities.	✓
HPL	Not specified. The utilisation depends on the granting decree of HPL or the agreement between the holder and a third party. Furthermore, if another title is granted on top of HPL (e.g., HGB on top of HPL), the permitted activity should follow the subsequent title (e.g., HGB).	✓/X Generally, HPL cannot be transferred to another party or encumbered with mortgage. However, the title granted on top of HPL (e.g., HGB) can be transferred, to the extent such transfer is approved by the parties in the HPL agreement.
Uncertificated Land	Not regulated.	✓

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We are required to comply with the government regulations set out below in relation to the construction of the New Indonesia Plant.

2. Zoning Requirement for Constructing New Indonesia Plant

For the construction of industrial facilities, the most commonly used land title is HGB. HGB allows legal entities to construct and use buildings on the land for a specified period and is widely used for commercial and industrial purposes.

In addition to securing HGB land, industrial companies must ensure that the location of the land complies with regional spatial planning regulations, which are governed under:

- Regional Spatial Planning (*Rencana Tata Ruang Wilayah*, “**RTRW**”); or
- Detailed Spatial Planning (*Rencana Detail Tata Ruang*, “**RDTR**”)

For the construction of the New Indonesia Plant and commencement of industrial activities, Law No. 3 of 2014 on Industry as amended by Law No. 6 of 2023 on the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law (“**Law 3/2014**”) requires that all industrial companies conducting business activities be located within an industrial area. However, an industrial company may be permitted to operate outside of an industrial area if it is located in a regency/city that:

- (i) does not have an industrial area;
- (ii) has an industrial estate but all the plots in the industrial area are fully occupied; or
- (iii) constitutes a special economic zone with an industrial zone.

The exemption also applies to small-scale industries, medium-scale industries that do not have the potential to cause significant environmental impacts, and industries that utilise special materials and/or require specific locations for their production processes.

Notwithstanding the above exemptions, companies that fall under the exemption under Law 3/2014 and medium-scale industries with no potential for significant environmental impact must still be located in an industrial-designated area (*kawasan peruntukan industri*).

Pursuant to Government Regulation No. 20 of 2024 on Industrial Estate (“**GR 20/2024**”), the distinction between the industrial area and industrial-designated area is as follows:

- Industrial area is an area where industrial activities are concentrated, equipped with supporting facilities and infrastructure developed and managed by an industrial zone company; and
- Industrial-designated area is a stretch of land designated for industrial activities based on the RTRW which is determined in accordance with the provisions of laws and regulations.

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Any violations to the above requirements under Law 3/2014 will be subject to administrative sanctions in the form of:

- a. written warning;
- b. administrative fines;
- c. temporary closure;
- d. suspension of industrial business license; and/or
- e. revocation of industrial business license.

The land on which the New Indonesia Plant is being constructed is located within an industrial area.

3. License Related to Construction

i. Building Approval (*Persetujuan Bangunan Gedung* (“**PBG**”))

In Indonesia, the construction of any building, whether residential, commercial, or industrial, must comply with national regulations established by the government. One of the key requirements is obtaining a Building Approval (*Persetujuan Bangunan Gedung* or “**PBG**”), which has replaced the former Building Construction Permit (*Izin Mendirikan Bangunan* or “**IMB**”).

A PBG is an administrative license issued by the relevant regency or municipality government, granting approval to building owners to construct, modify, expand, reduce, or maintain a building in accordance with applicable technical standards. Pursuant to Government Regulation No. 16 of 2021 on the Implementation of Law No. 28 of 2002 on Buildings (“**GR 16/2021**”), a PBG must be obtained before any construction work begins. The construction work must then be carried out in full compliance with the terms and conditions of the issued PBG.

Once granted, a PBG remains valid for the entire lifetime of the building, provided there are no changes to the building’s designated function or use. If there are significant modifications to the structure or a change in the intended use, the building owner may be required to apply for a revision or reissuance of the PBG.

Failure to obtain a valid PBG before construction begins constitutes a violation of the applicable building regulations and may result in legal consequences. According to GR 16/2021, administrative sanctions may include written warnings, restrictions on construction, restrictions on building utilisation, restrictions on demolition activities, suspension or revocation of the PBG, suspension or revocation of the Certificate of Functional Worthiness (*Sertifikat Laik Fungsi* or “**SLF**”), and suspension or revocation of demolition approvals.

In more serious cases, criminal sanctions may apply under Law No. 28 of 2002 on Buildings as amended (“**Building Law**”). If the violation results in property damage, the offender may face imprisonment of up to three years or a fine of up to 10% of the building’s value. If the violation results in permanent disability, the penalty may increase to four years of imprisonment. If the violation causes death, the penalty may increase to five years of imprisonment and a fine of up to 20% of the building’s value.

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ii. Certificate of Functional Worthiness (SLF)

Following the completion of construction in accordance with the PBG, the building owner is required to obtain an SLF before the building can be legally used or occupied. An SLF is a certificate given by the Regional Government to declare the function-worthiness of a building before it can be utilised. Pursuant to the GR 16/2021, a building must be declared to have met the technical requirements by the issuance of SLF before the building can be used or occupied.

The SLF must be obtained before the building is utilised. The SLF serves as official confirmation that the building has been constructed in line with the approved technical plans and is deemed fit for use in terms of safety, health, comfort, and accessibility. An SLF is valid for 20 years for residential buildings and 5 years for other building functions. Once expired, the SLF must be renewed before the building can continue to be used legally.

The obligation to obtain an SLF applies to all completed buildings, particularly those intended for commercial, industrial, or public use, including factories, office buildings, apartment complexes, and other non-residential facilities. Failure to obtain a valid SLF renders the use of the building unlawful. In such instances, the building owner may be subject to administrative sanctions under GR 16/2021. These sanctions may include written warnings, suspension or limitation of construction and building use, and potential revocation of both the SLF and PBG.

In addition to administrative penalties, criminal sanctions may apply pursuant to the Building Law. Under the Building law, if the violation results in property damage, the offender may face imprisonment of up to three years or a fine of up to 10% of the building's value. If the violation results in permanent disability, the penalty may increase to four years of imprisonment. If the violation causes death, the penalty may increase to five years of imprisonment and a fine of up to 20% of the building's value.

iii. Building Ownership Certificate (*Surat Bukti Kepemilikan Gedung* or “**SBKBG**”)

Pursuant to Minister of Public Works and Housing Regulation Number 12 of 2024 (“**MPWH Reg. 12/2024**”), SBKBG is a proof of ownership over building which is applied for after obtaining PBG and SLF. SBKBG will lay out the following information: (a) ownership over the building; (b) building address; (c) land title status; (d) PBG number; and (e) SLF number.

To support the implementation of national building governance in accordance with GR 16/2021, the Indonesian government through the Ministry of Public Works and Public Housing has introduced a centralised, web-based platform called the Building Management Information System (Sistem Informasi Manajemen Bangunan Gedung or (“**SIMBG**”)) (<https://simbg.pu.go.id/>). This system streamlines the administration of building processes at all stages, including planning, construction, utilisation, and demolition. SIMBG facilitates the issuance of key permits and certificates, such as the PBG and SLF.

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As of the latest regulatory consultation, the system under SIMBG for the application of SBKBG is still under development and is expected to be operational by Q4 of 2025. MPWH Reg. 12/2024 provides regional governments a transitional period of 12 months from the regulation's enactment on 18 October 2024 to develop and implement the required systems for SBKBG issuance.

Retirement Schemes

Under Indonesian law, there are no statutory requirements for employers to establish company-sponsored retirement or pension schemes. Employers are not obligated to set aside or accrue a minimum amount for the provision of pension, retirement, or similar post-employment benefits for their employees.

However, employers are required to participate in, and make mandatory contributions to, the Social Security Agency (*Badan Penyelenggara Jaminan Sosial* or “**BPJS**”) for both the Manpower and Health Social Security programs for their employees, pursuant to Law No. 24 of 2011 on the Social Security System, as amended (“**Law 24/2011**”). These contributions must be made in accordance with the applicable percentages stipulated under the relevant regulations. It is important to note that the BPJS Manpower Social Security programme includes a Pension Security component. Upon reaching the retirement age, employees are entitled to claim their pension benefits directly from BPJS, and the employer bears no further obligation in relation to such pension payments.

PT Zhong Bu Adhesive has complied with its obligations under Law 24/2011 and has been making monthly contributions for its employees to both BPJS Employment and BPJS Health programs. PT Zhong Bu Resins is currently not subject to this obligation, as it is not yet operational and has no employees as of the date of this Offer Document.

Intellectual Property Rights

Under Indonesian law, the registration of intellectual property is not mandatory. However, it is important to note that legal protection is granted only to intellectual property rights that are duly registered with the Directorate of General of The Republic of Indonesia (“**DGIP**”). Indonesia's intellectual property legal framework is generally governed by the following key laws and regulations:

(a) **Law No. 28 of 2014 of Copyright (“Copyright Law”)**

The Copyright Law governs the protection of works of authorship, including written works, music, software, visual arts and other creative expressions. Furthermore, Copyright Law ensures the safeguarding of both the moral rights and economic rights of the copyright holder. While PT Zhong Bu Adhesive and PT Zhongbu Resins do not currently hold any registered copyrights, any third-party materials used in our operations which are subject to Copyright Law cannot be used without authorisation or in a manner prohibited by Copyright Law.

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(b) Law No. 20 of 2016 on Trademarks and Geographical Indications (“Trademarks and Geographical Indications Law”)

The Trademarks and Geographical Indications Law regulates the registration, protection, and enforcement of trademarks and geographical indications in Indonesia. Third-party use of our trademarks registered in Indonesia is subject to the Trademarks and Geographical Indications Law. Any use of third-party trademark rights in the course of our business activities subject to Trademarks and Geographical Indications Law cannot be used without authorisation or in a manner prohibited by Trademarks and Geographical Indications Law. Any unauthorised use of a registered mark may result in legal claims or commercial disputes.

(c) Law No. 13 of 2016 on Patents (“Patents Law”)

Patents Law provides protection by granting exclusive rights conferred by the state to inventors for their technological inventions for a specific period of time. Article 2 of the Patents Law sets out the scope of patent protection, which includes: (i) patents; and (ii) simple patents (*paten sederhana*). A patent is granted for an invention that is novel, involves an inventive step, and is capable of industrial application. While a simple patent, refers to any new invention in the form of a product or process that constitutes the development of an existing product or process and is capable of industrial application.

(d) Law No. 30 of 2000 on Trade Secrets (“Trade Secrets Law”)

Trade Secrets Law provides protection for confidential business information, including formulas, methods, and data that hold economic value and are not generally known to the public. Article 2 of the Trade Secrets Law sets out the scope of secret trade protection, which includes production methods, processing methods, sales methods, or other information in the fields of technology and/or business that possesses economic value and is not publicly known.

In the event PT Zhong Bu Adhesive and/or PT Zhongbu Resins conduct activities such as marketing, or branding, involving intellectual property assets, we may be subject to applicable Indonesian intellectual property regulations and registrations.

VIETNAM LAWS AND REGULATIONS

Laws and regulations regarding hazardous materials, waste disposal, and environmental protection:

Pursuant to the Law on Environmental Protection 2020 (effective since 01 January 2022) and its guiding documents, the preparation and appraisal of an Environmental Impact Assessment Report (“**EIAR**”), where required by law, together with the application for and strict compliance with the terms and conditions set forth in the issued Environmental Permit, constitute the fundamental legal obligations governing hazardous materials, waste management, and environmental protection in Vietnam.

1. Environmental Impact Assessment Report (EIAR):

According to the Law on Environmental Protection 2020, projects are classified into four groups (I, II, III, IV) based on their potential environmental impact. Only projects in Group I and certain Group II projects are required to prepare an EIAR. The EIAR must be appraised and approved by the competent authority, typically the Provincial People’s Committee or the

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Ministry of Agriculture and Environment (depending on the type and scale of the project). Approval of the EIAR is a mandatory prerequisite for the issuance of the Environmental Permit for applicable projects. The EIAR must comprehensively analyse, assess, and forecast potential environmental impacts and propose appropriate mitigation measures.

2. Environment Permit:

Following EIAR approval (if applicable), the project owner must apply for an Environmental Permit before commencing operations. Not all projects are required to obtain an Environmental Permit; only those specified in Article 39 of the Law on Environmental Protection 2020 must do so. For projects required to prepare an EIAR, the approved report is a prerequisite for applying for the Environmental Permit. However, some projects not required to prepare an EIAR may still need to obtain an Environmental Permit or register environmental protection with the local authority, depending on their classification in accordance with relevant regulations.

The Environmental Permit serves as the legal basis for the project's discharge of waste and other environmental activities. The competent authority will assess whether the project is permitted to discharge waste into the environment, based on factors such as sources, methods, locations, maximum permissible discharge volumes, and pollutant types and limits specified in the permit.

3. Environmental protection obligations under the Environmental Permit

The Environmental Permit sets out environmental protection requirements corresponding to the project's discharge activities and overall environmental management. These typically include the following key obligations:

(a) *Waste collection and treatment facilities, monitoring equipment:*

The project must construct, install, operate, and maintain systems for waste collection, treatment, and environmental monitoring, in accordance with the technical specifications and operational requirements stipulated in the Environmental Permit. These systems must undergo trial operation and inspection by environmental authorities to ensure compliance with applicable environmental technical standards. The project owner must report the results of trial operation of waste treatment facilities to the competent environmental authority before commencing official operation. The project must also develop and implement plans for environmental and chemical incident prevention and response.

(b) *Waste management:*

The project must ensure that the types and volumes of waste generated comply with the Environmental Permit specifications. Facilities for the storage and separate classification of hazardous solid waste, industrial solid waste, and domestic solid waste must be constructed and operated. Contracts for the collection, transportation, and treatment of hazardous and non-hazardous solid waste must be entered into with licensed and qualified service providers in accordance with the law, and the transfer of hazardous and non-hazardous solid waste must be accompanied by hazardous waste manifests as required by law.

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(c) *Plans, facilities, and equipment for environmental incident response:*

The project is required to formulate and implement measures and plans for the prevention and response to chemical and environmental incidents, in accordance with applicable regulations.

(d) *Other environmental protection requirements:*

These may include environmental rehabilitation and restoration, biodiversity conservation (where applicable), and compliance with other relevant environmental protection obligations.

(e) *Compliance and enforcement*

Failure to comply with the terms and conditions of the Environmental Permit or other environmental protection obligations may result in administrative sanctions, including fines, suspension or revocation of permits and licenses, mandatory remediation, and civil or criminal liability for environmental damages as prescribed by laws.

Laws and regulations on occupational safety and hygiene:

The primary legal basis governing a company's obligations in respect of occupational safety and hygiene is the **Labor Code 2019** (effective since 01 January 2021), **Law on Occupational Safety and Hygiene 2015** (effective since 01 July 2016). Under these laws and its guiding documents, employer's responsibilities in this area are generally divided into the following key categories:

1. Occupational safety and hygiene training and preventive measures:

- (a) Employers are required to develop and implement internal regulations and procedures on occupational safety and hygiene in accordance with the law, technical standards, and local technical regulations.
- (b) Employers must provide occupational safety and hygiene training for employees before they start work, when changing jobs, or when there are changes in technology or equipment.
- (c) Employers must adopt and implement measures to ensure workplace safety and hygiene, including:
 - issuing internal regulations and procedures to ensure occupational safety and hygiene; and
 - ensuring safe and hygienic working conditions, such as adequate workspace, ventilation, and limits on exposure to harmful substances; conducting workplace environmental monitoring where required by law; ensuring the safety of machinery and materials (including regular inspection and maintenance); providing employees with personal protective equipment; and preparing and implementing emergency response and incident handling plans at the workplace.

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2. Implementation of labour protection regimes and employee health care:

- (a) Employers must organise periodic health check-ups for employees as required by law.
- (b) Special labour and health care regimes must be applied for employees engaged in hazardous or arduous work.
- (c) Employers must provide adequate personal protective equipment.

3. Management of machinery, equipment, materials, and substances subject to strict safety and hygiene requirements:

- (a) Only certain types of machinery, equipment, and materials, as specified by law, are subject to strict safety and hygiene requirements.
- (b) Employers must conduct inspection and periodic safety checks of such machinery and equipment, and are required to register their use with the competent authorities where applicable.

4. Declaration, record-keeping, reporting, and investigation:

- (a) Employers are obligated to declare, record, and report occupational safety incidents, workplace accidents, and occupational diseases to the competent authorities, using the prescribed forms and within the required deadlines.
- (b) Employers must cooperate in the investigation of such incidents.

5. Employer's responsibilities toward employees suffering from workplace accidents or occupational diseases:

- (a) Employers must pay for medical expenses and other related costs, maintain full wage payments, provide compensation and allowances, arrange for suitable work after recovery, and prepare and submit documentation for the employees to claim insurance benefits.
- (b) Employers must cooperate with insurance agencies in processing claims for insurance benefits.

6. Specific responsibilities for manufacturing and business entities:

Depending on the employers' industry and scale, additional obligations may apply, such as appointing personnel in charge of occupational safety and hygiene; appointing occupational health and safety officers; establishing a grassroots Occupational Safety and Hygiene Council; and developing workplace safety plans and emergency response plans. The requirement to appoint such officers or establish such councils depends on the size and nature of the business, as specified in the law and guiding documents.

Laws and regulations on retirement and pension schemes:

Under Vietnam laws, retirement and pension schemes applicable to employers and employees are currently and primarily governed by the Labour Code 2019 (being effective since 01 January 2021) and the Law on Social Insurance 2024 (being effective since 01 July 2025).

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The retirement age of employees in normal working conditions is being gradually increased according to a roadmap to reach 62 years old for male employees in 2028, and 60 years old for female employees in 2035. From 2025 onwards, the statutory retirement age for employees working under normal conditions in Vietnam is 61 years and 3 months for male employees; and 56 years and 8 months for female employees. Thereafter, the retirement age will continue to increase by 3 months per year for male employees, until 62 years in 2028; and 4 months per year for female employees, until 60 years in 2035.

Early retirement is permitted in specific cases (such as employees with reduced working capacity; those working in especially heavy, hazardous, or dangerous jobs; or working in areas with particularly difficult socio-economic conditions). In most cases, early retirement is allowed up to 5 years before the standard statutory retirement age at the time of retirement. However, for employees with at least 15 years working in especially heavy, hazardous, or dangerous jobs, or those with a working capacity reduction of 81% or more, or those working in coal mining underground, early retirement can be up to 10 years earlier than the standard statutory retirement age, unless otherwise provided by law.

The monthly pension is calculated based on the employee's average salary used for social insurance contributions and the total number of contribution years. Female employees are entitled to a pension rate of 45% of the average salary after 15 years of contribution, with a 2% increase for each additional year, up to a maximum of 75%. Male employees receive 45% after 20 years of contribution, with a 2% increase for each additional year, up to a maximum of 75%. However, male employees with 15 to under 20 years of contributions are entitled to a lower starting rate of 40% of the average salary, with an additional 1% for each year of contribution beyond the 15th year. This provision does not apply to female employees. For early retirees, the pension amount is reduced by 2% for each year of retirement prior to the statutory retirement age. However, the pension amount is not reduced if retirement is less than 6 months before the statutory retirement age, and reduced by 1% if retirement is between 6 and 12 months before the statutory retirement age.

Pensions are adjusted based on the consumer price index, the State budget's capacity, and the social insurance fund. Employees who contribute beyond 30 years (for women) or 35 years (for men) are eligible for a lump-sum retirement allowance for each excess year, calculated as 0.5 times the average monthly salary for each excess year before reaching the statutory retirement age, and 2 times for each excess year after reaching the statutory retirement age. In cases where employees reach retirement age but have not completed the minimum 15 years of social insurance contributions, or under other qualifying circumstances (such as permanent disability or emigration or those with a working capacity reduction of 81% or more), they may opt to receive a one-time social insurance payout.

From 01 July 2025, the total statutory insurance contribution rate for Vietnamese employees is 32% of the employee's monthly salary, of which the employee contributes 10.5% and the employer contributes 21.5%. Specifically, the employee pays 8% for social insurance (retirement and survivorship fund), 1% for unemployment insurance, and 1.5% for health insurance. The employer contributes 14% for social insurance (retirement and survivorship fund), 3% for sickness and maternity insurance, 0.5% for occupational accident and disease insurance (or 0.3% in case enterprises that meet certain safety and occupational health conditions as prescribed in Article 5 of Decree 58/2020/ND-CP dated 27 May 2020 of the Government), 1% for unemployment insurance, and 3% for health insurance. The salary used as the basis for social insurance contributions is the monthly salary stated in the labour contract, including base salary, allowances, and other additional payments as prescribed by labour law.

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For foreign employees working in Vietnam under a labour contract with a term of 12 months or over, the total statutory insurance contribution rate is 30%, with the employee contributing 9.5% (8% for social insurance and 1.5% for health insurance) and the employer contributing 20.5% (14% for social insurance, 3% for sickness and maternity insurance, 0.5% for occupational accident and disease insurance, and 3% for health insurance). Foreign employees are not required to contribute to unemployment insurance, and employers are also not required to pay unemployment insurance for foreign employees. The salary used as the basis for contributions for foreign employees is also the monthly salary as agreed in the labour contract, including base salary, allowances, and other additional payments as prescribed by Vietnamese labour laws.

Laws and regulations on Intellectual Property (IP) rights:

The Law on Intellectual Property 2005, as amended in 2009, 2019, and 2022 (collectively as “**Law on Intellectual Property**”) and its guiding documents, provide comprehensive protection for trademarks, patents, industrial designs, copyrights, trade secrets, geographical indications, and plant varieties. Key aspects include:

1. Trademark protection:

Trademark protection in Vietnam is granted upon registration at the Intellectual Property Office of Vietnam (“**IP Vietnam Office**”) and remains valid for renewable 10-year terms. The registration process typically takes up to 15 months. Enforcement measures include civil remedies, administrative actions, customs enforcement, and criminal penalties for counterfeit goods.

2. Patents, Utility Solutions, and Industrial Designs:

Patents in Vietnam require novelty, inventive step, and industrial applicability, providing protection for a maximum period of 20 years from the filing date.

Utility solution patents (also known as utility models) require only novelty and industrial applicability, without an inventive step, and offer protection for 10 years from the filing date.

Industrial designs receive protection for 5 years, renewable twice for additional consecutive 5-year periods, for a maximum of 15 years from the filing date.

Vietnam operates under the “first to file” principle for patents, industrial designs and trademarks, meaning the first applicant to file will secure protection rights. All registrations for patents, utility solutions, and industrial designs are administered by IP Vietnam Office under the Ministry of Science and Technology.

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3. Copyrights:

Vietnam is a member of the Berne Convention, providing copyright protection for the author's lifetime plus 50 years for most works, and 75 years from first publication (or 100 years from fixation if unpublished within 25 years) for cinematographic, photographic, applied art, and anonymous works. Computer programs are explicitly protected by copyright legislation in Vietnam. While registration of copyrights is not compulsory, it is advisable and can be completed through the Copyright Office of Vietnam under the Ministry of Culture, Sports and Tourism.

4. Trade secrets:

Trade secrets are protected if they are not generally known, have commercial value, and are subject to reasonable measures to maintain secrecy. Enforcement typically involves civil litigation.

5. Unfair competition:

Unfair competition relating to IP is primarily governed by Vietnam's Competition Law and partially addressed within IP legislation. Procedures for addressing IP-related unfair competition claims are complex and infrequently utilised.

6. Customs enforcement:

Vietnamese customs authorities possess powers to monitor and act against counterfeit and pirated goods for both imports and exports. IP rights holders can register their rights with the customs authority to enable monitoring, inspection, and suspension of customs clearance for suspected infringing goods.

7. Practical enforcement and limitations:

While Vietnam's IP rights protection framework is comprehensive and provides for civil, administrative, criminal, and customs enforcement mechanisms, practical enforcement may not always adequately prevent infringements or unauthorised use. Potential litigation related to IP may lead to substantial financial and time expenses, and diversion of resources. Even with legal justification, enforcing IP rights through court proceedings can be lengthy, costly, and uncertain. Any adverse legal decisions could negatively impact business operations, market position, and reputation. However, the legal system does provide sufficient mechanisms for the protection and enforcement of IP rights in accordance with international standards

TAIWAN LAWS AND REGULATIONS

Investment approval for investment by foreign investors or PRC investors in Taiwan

According to the Foreign Investment Statute, investment and establishment of a company in Taiwan by foreign investors, such as Grand Infinite, shall be subject to the prior foreign investment approval by the Department of Investment Review, under the Ministry of Economic Affairs (the "DIR"), with few exceptions where such investment application and approval will be governed by other competent authorities. The applicant for such investment approval is the foreign investor, and not the investee company. With regard to the foreign investment application, the DIR will examine whether the foreign investor constitutes a "PRC Investor" under the Regulations

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Governing the Investment by PRC Investor (大陸地區人民來臺投資許可辦法). In practice, the DIR will trace the name, nationality, place of birth and shareholding of shareholders and directors tier by tier until the ultimate individual beneficiary, to clarify whether the PRC Investor issue exists. PRC Investors will be subject to more stringent requirements and restrictions as compared to other foreign investors.

Definition of “PRC Investor”

Under the Act Governing Relations between the People of the Taiwan Area and the Mainland Area (the “**Cross-Strait Act**”) (臺灣地區與大陸地區人民關係條例), unless otherwise permitted by the DIR, no individual, legal entity, organisation, or other institution of the Mainland China Area, i.e. the PRC defined hereunder, or any foreign company invested thereby may make any investment in Taiwan. Under such legislation, the DIR promulgates the regulations and rules governing investment by a PRC Investor. A “**PRC Investor**” shall mean any of the following investors that is: (i) an individual, company, legal entity or institution of the mainland China; or (ii) a legal entity incorporated under the laws of jurisdiction (other than the mainland China) whose direct or indirect shareholding in excess of 30% is owned by the individual, company, legal entity or institution of the mainland China or that is otherwise controlled by individual, company, legal entity or institution of the mainland China.

The above 30% shareholding will be evaluated at each tier until the ultimate individual beneficiary and is based on the aggregate shareholding of all individuals, companies, legal entities or institutions of the PRC. Further, “*controlled by individual, company, legal entity or institution of the mainland China*” means any of the following events that the individual, company, legal entity or institution of the mainland China: (a) by contract arrangement with other investors, has right or power to control majority of shares with voting right; (b) by laws or contract arrangement, has right or power to control the finance, business and human resource; (c) has right or power to appoint majority of the board or other equivalent unit and such board or unit could control the decision of the company business; (d) has right or power to control the majority of voting right in the board or other equivalent unit and such board or unit could control the decision of the company business; or (e) other controlling right or power under the International Financial Reporting Standards (“**IFRS**”) or Taiwan Statements of Auditing Standards.

Individuals or legal entities from the Hong Kong or Macau Special Administrative Regions do not directly constitute the PRC Investors under the current laws and regulations of Taiwan, save in the case of a legal entity that falls under the above criteria (ii). A reference to an individual from the Hong Kong Special Administrative Region means an individual who has permanent residency in Hong Kong and does not have any other passport other than a British (Overseas) passport or a Hong Kong passport. A reference to an individual from the Macau Special Administrative Region means an individual who has permanent residency in Macau and holds no other passport other than a Macau passport or a Portuguese passport obtained in Macau prior to the end of Portuguese rule.

Investment by PRC Investors in Taiwan

A PRC Investor cannot invest in business in Taiwan other than certain business sectors listed on the positive list promulgated by the DIR (the “**Positive List for Inbound Investment by PRC Investors**”) (大陸地區人民來臺投資業別項目). The laws and regulations further provide that the investment by an investor, which is owned or invested in by a PRC political party, military, government or national enterprise, no matter the country or region of its incorporation, shall be prohibited, regardless of its business, from investing in any business listed on the Positive List for Inbound Investment by PRC Investors. Moreover, when the business involves economic, political,

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social or cultural sensitivity, national security, or adverse impact on the Taiwan economic development or financial stability, the DIR can prohibit the investment application by the PRC Investor or revoke its investment even though the business to be invested by the PRC Investor falls within the Positive List for Inbound Investment by PRC Investors or it was approved previously.

Investment by foreign investors in Taiwan

In addition to the above prior approval from the DIR, the foreign ownership and the transfer thereof shall comply with certain requirements and restrictions, including but not limited to the following:

- According to the Foreign Investment Statute (excluding the PRC Investors, who will be governed by a separate set of regulations that are more stringent), foreign investors shall not invest in the industries which may cause adverse effect to national security, public order, social good moral or citizen health or which are prohibited by Taiwan laws. The Executive Yuan, the top executive authority of Taiwan, has promulgated the relevant rules to provide the prohibited/restricted categories thereunder (the “**Negative List for Inbound Investment by Foreign Investors**”) (僑外投資負面表列). Foreign investors are currently prohibited from investing in certain industries in Taiwan as set forth in the Negative List for Inbound Investment by Foreign Investors. Pursuant to the Negative List for Inbound Investment by Foreign Investors, certain other industries are restricted so that foreign investors (except in certain limited cases) may invest in such industries only up to a specified level and with a specified approval of the relevant competent authority which is responsible for enforcing the relevant legislation which the Negative List for Inbound Investment by Foreign Investors is intended to implement.

Currently, the industry in connection with the business activity registered by Zhong Bu Taiwan does not fall within the prohibited or restricted industries of the Negative List for Inbound Investment by Foreign Investors. Furthermore, Grand Infinite, being the sole shareholder of Zhong Bu Taiwan, is not subject to any restrictions under the Negative List for Inbound Investment by Foreign Investors on its right to hold 100% shareholding of Zhong Bu Taiwan or exercise voting right as the shareholder of Zhong Bu Taiwan.

- According to Taiwan laws and regulations in relation to investment by foreign investors, the transfer of an investment in a Taiwanese company by a foreign investor which was approved by the DIR (i.e. the shares or capital contribution in a Taiwanese company owned by such foreign investor) shall be subject to the prior approval of the DIR. Therefore, if Grand Infinite, being the current sole shareholder of Zhong Bu Taiwan, intends to transfer the capital contribution of the Company to another investor in the future, DIR’s prior approval will have to be obtained. As for the transferee, DIR’s approval is required if the transferee is a foreign investor or a PRC Investor. In addition, if the transferee is a PRC Investor, the transferee will be subject to stricter requirements, including that all the business items of the investee Taiwanese company shall fall within the items on the Positive List for Inbound Investment by PRC Investors. Furthermore, the PRC Investor (as the transferee) shall report the implementation of investment to the DIR within the statutory time limit, while there are no such requirements when the transferee is a foreign investor or Taiwan investor.
- The investment, change of investment plan or structure, the increase or decrease of investment, the transfer of investment, etc. by the foreign investor shall be subject to the approval of the DIR, while certain matters, such as name change of the foreign investor, shall be subject to the ex-post filing with the DIR. Furthermore, in respect of loans from foreign shareholders to the Taiwan investee company with a loan period of one year or more, such

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loans will constitute an investment by such foreign investor and prior approval from the DIR will be required. The investment in another Taiwanese company by a Taiwan enterprise where more than one-third of its shareholdings are owned by foreign investors, like Zhong Bu Taiwan, is also subject to DIR's prior approval as well.

A failure to comply with the above rules as set forth in the Foreign Investment Statute may be subject to legal consequence, including that the authority may prohibit the remittance of dividend or other distribution to the foreign investor for a period of time or revoke the investment approval. Nevertheless, there are no other fines and penalties. On the other hand, if a foreign investor falls within the ambit of a PRC Investor, the Cross-Strait Act, instead of the Foreign Investment Statute shall apply to the investor, and there are severe fines and penalties under the Cross-Strait Act and relevant regulations and rules governing PRC Investors.

Income Tax Act (所得稅法) & Value-added and Non-value-added Business Tax Act (加值型與非加值型營業稅法)

Corporate income tax

Corporate income taxpayers are classified as follows:

Profit-seeking enterprises: This refers to enterprises operated by public, private, or joint public and private interests that have a registered business name or a place of business and are organised in the form of a sole proprietorship, partnership, company, or any other form of organisation. Profit-seeking enterprises in Taiwan are divided into two categories:

- Profit-seeking enterprises with head offices within Taiwan; and
- Profit-seeking enterprises with head offices outside Taiwan but having income derived from sources in Taiwan.

Permanent establishment (“**PE**”): For Taiwan income tax purposes, this refers to a foreign enterprise which has a fixed place of business (“**FPOB**”) or business agent (“**BA**”) in Taiwan.

Corporate tax rates

Profit-seeking enterprises are taxed at the following:

Taxable income	Tax rate
Up to NT\$120,000	0%
NT\$120,001 and above	20%

In addition to regular tax calculations, Taiwan profit-seeking enterprises and foreign companies with a PE in Taiwan are subject to a separate alternative minimum tax (“**AMT**”) calculation in accordance with the Income Basic Tax Act (“**IBTA**”).

In addition, a 5% profit retention tax is imposed on any current earnings that remain undistributed by the end of the following year.

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Furthermore, dividends or profits distributed by a Taiwan profit-seeking enterprise to a non-resident shareholder are subject to withholding tax at a rate of 21%, unless a lower rate is available under an applicable tax treaty between Taiwan and the jurisdiction of residence of such foreign shareholder. As there is currently no tax treaty between Taiwan and the British Virgin Islands – where Grand Infinite, the sole shareholder of Zhong Bu Taiwan, is incorporated – the statutory withholding tax rate of 21% applies.

Corporate tax system

Resident enterprises are taxed on worldwide income. Non-resident enterprises are taxed on income derived from Taiwan sources.

The taxable income of a profit-seeking enterprise is calculated from net income, which is defined as gross annual revenues after the deduction of costs, expenses, losses and taxes (except for income tax). Except for certain exempt items, income from all sources (business income, rent, interest, royalties, and capital gains realised from property sales, etc.) is subject to income tax. To determine a company's taxable income, its accounting income is adjusted by taking into account non-taxable income, non-deductible expenses, allowable provisions, and losses carried forward, etc.

Certain items of income are not included in taxable income. For example, currently, gains from sales of Taiwanese securities and futures are exempt from regular income tax. Also, for land purchased prior to 1 January 2016, disposal gain is exempted from regular income tax. Nevertheless, losses and expenses attributable to aforementioned tax exempted income are accordingly not tax deductible.

However, Taiwan resident companies and foreign companies with a PE in Taiwan are required to include any tax exemption gains arising from securities and futures transactions in their AMT calculation in accordance with the provisions of IBTA.

Categories of income exempt from income tax include, but are not limited to:

- Capital gains derived from securities and futures transactions;
- Dividends received by a Taiwan company from another domestic profit-seeking enterprise;
- Certain technical service fees received by foreign entities for construction of plants, subject to government approval;
- Operating income obtained within Taiwan by a foreign enterprise engaged in international transportation, provided reciprocal treatment is granted by the home country of the foreign enterprise to a Taiwan-based transportation enterprise operating in its territory.

Individual income tax

In Taiwan, the taxation of individuals, including foreign nationals, is based on their source of income and residency status. Individual income tax is levied on Taiwan-sourced income of both resident and non-resident individuals, unless exempted under the provisions of Income Tax Act (“ITA”) and other laws.

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Income received for services rendered in Taiwan is considered to be Taiwan-sourced income subject to tax, regardless of whether such income is paid by a local or an offshore employer. However, income received by a non-resident individual for services rendered in Taiwan is not considered Taiwan-sourced income if the total length of the stay in Taiwan does not exceed 90 days in a calendar year, and the compensation is paid by an offshore employer.

Currently, a Taiwan tax resident individual is subject to tax at the progressive rates, ranging from 5% to 40%.

Employment income is generally treated as Taiwan-sourced compensation (including base salary, bonuses, allowances, benefits, etc.), where the individual performs services while being physically located in Taiwan. Income tax is computed on gross income and collected through withholding at source if payment is made from a Taiwanese enterprise or recharged and borne by a Taiwanese enterprise. The applicable withholding tax (“WHT”) rates for salary income are 5% for resident individuals and 18% for non-residents.

Foreign nationals staying in Taiwan for no longer than 90 days in a calendar year are subject to WHT at a flat rate of 18% on salary income received from a Taiwanese enterprise. However, remuneration paid by a foreign employer with no recharge to a Taiwanese enterprise is exempted from Taiwan income tax.

Foreigners staying in Taiwan for more than 90 days but less than 183 days in a calendar year are also subject to a flat 18% tax on remuneration for services rendered in Taiwan, regardless of where the compensation is paid.

In addition to regular income tax calculations under the ITA, Taiwan also imposes income basic tax, at a flat rate of 20%, on individuals who are tax residents in Taiwan (including expatriates who stay in Taiwan for 183 days or more in a tax year).

Value Added Tax (“VAT”)

Business tax generally applies to the sale of goods and services within Taiwan, as well as the importation of goods into Taiwan. Business tax is imposed under two systems: VAT and non-VAT (also known as gross business receipts tax or GBRT).

- VAT – applicable to general industries. The tax is levied according to the value added to goods or services at each stage in the production and distribution chain. The current standard rate of VAT is 5%, except for the sale of goods or services that are zero-rated, or which qualify for VAT exemption. The general rule is that an input tax credit is only available under the VAT system. Each seller collects output VAT from the buyer at the time of sale, deducts input VAT paid on purchases from output VAT, and remits the balance to the tax office. Overpaid VAT is refundable under certain circumstances. Thus, VAT in most cases does not represent an additional cost to the enterprise; rather, the cost is passed on to the end consumer.
- Non-VAT (also known as gross business receipts tax or GBRT) – applicable to financial institutions, special vendors of beverages and food, and small-scale business enterprises. Their sales, based on gross receipts, are subject to various business tax rates.

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VAT rate:

5% standard rate applies generally on all domestic sales of goods and services, and importation of goods.

Under the VAT system, each seller collects output VAT from the buyer at the time of sale, deducts input VAT paid on purchases from output VAT, and remits the balance to the tax authority.

Labour Standards Act (勞動基準法)

The Labour Standards Act (勞動基準法) is the fundamental law that sets up minimum requirements and standards of employment terms and conditions in Taiwan such as working hours, overtime, leaves, benefits, severance pay, etc. The Labour Standards Act applies to local and foreign workers, and it tends to be protective of employees. Employers are only allowed to unilaterally terminate an employment agreement unless proofs can be provided to show that certain statutory requirements in the Labour Standards Act have been fulfilled.

Labour Welfare Schemes

According to the Labour Insurance Act (勞工保險條例), the Labour Pension Act (勞工退休金條例), and the National Health Insurance Act (全民健康保險法), employees are, in principle, entitled to enrolment in the statutory labour welfare schemes, including labour insurance, national health insurance, and labour pension. Employers, as the insured units, are required to enrol their employees in such schemes on the commencement date of employment, unless otherwise provided by applicable laws. Under these schemes, labour insurance and national health insurance premiums are shared among the employer, the employee, and the government in accordance with statutory rates, while the labour pension contribution, equal to 6% of the employee's monthly salary, must be fully borne by the employer. In the event of violation to the relevant laws and regulations in relation to the labour welfare scheme, such as using untrue information to enrol the above labour welfare scheme (including by way of nominee employer, employer on record or any other unlawful method), or obtaining welfare from the above scheme by way of fraud or any other illegal measures, the violator will be subject to the punishments and administrative sanctions therefor.

Company Act (公司法)

The principal rules governing establishment, operation and conduct of a company incorporated in Taiwan and the foreign company's liaison office or representative office in Taiwan are set out in the Company Act. Under the Company Act, a limited company, such as Zhong Bu Taiwan, is required to have at least one and no more than three directors. There is no nationality restriction on directors of a Taiwanese company; thus, foreign individuals or entities, rather than a PRC person, may serve as directors. Directors owe fiduciary duties to the company and may be held liable for damages if they breach such duties. Furthermore, if a director violates applicable laws or regulations in the course of conducting the company's business, resulting in damages to any third party, the director shall be jointly and severally liable with the company.

A foreign company could not run any business under the name of company in Taiwan without a lawful Taiwan presence, i.e. a Taiwan subsidiary or a Taiwan branch, established pursuant to Taiwan laws. Failing to comply with such requirement, the violator will be subject to criminal liability. A Taiwan liaison office or representative office of a foreign company is not considered an independent legal person from Taiwan law perspective. Under Taiwan laws and regulations, the Taiwan liaison office or representative office is not allowed to have business or operation in Taiwan

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which means it could not distribute products or provide services and in return obtain the consideration therefrom. The Liaison office or representative office only could have very limited activities, such as networking with local connections, promotion, executing contracts or proceeding bidding process for the foreign company to the extent not constituting business activities. Any liabilities arising from the operations of such liaison office or representative office shall be imputed to the foreign company itself.

Foreign Exchange Control Act (管理外匯條例)

Laws and regulations concerning exchange controls has been described in the section titled “Exchange Controls – Taiwan” of this Offer Document above.

BANGLADESH LAWS AND REGULATIONS

Laws and regulation in relation to foreign investment in Bangladesh

The current investment laws of Bangladesh state that the Bangladeshi government guarantees fair and equitable treatment to foreign private investment which shall enjoy full protection and security in Bangladesh. The terms of sanction, permission or licence granted by the government to an industrial undertaking having foreign private investment shall not be unilaterally changed so as to adversely alter the conditions under which the establishment of such undertaking was sanctioned. Foreign private investment shall not be accorded a less favourable treatment than what is accorded to similar private investment by the citizens of Bangladesh in the application of relevant rules and regulations. In the event of losses of foreign investment owing to civil commotion, insurrection, or riot, foreign private investment shall be accorded the same treatment with regard to indemnification, compensation, restitution, or other settlement as is accorded to investments by the citizens of Bangladesh. Foreign private investment shall not be expropriated or nationalised or be subject to any measures having effect of expropriation or nationalisation except for a public purpose against adequate compensation which shall be paid expeditiously and be freely transferable; and such compensation shall be an amount equivalent to the market value of investment expropriated or nationalised immediately before the expropriation or nationalisation. In respect of foreign private investment, the transfer of capital and the returns from it and, in the event of liquidation of industrial undertaking having such investment, of the proceeds from such liquidation is guaranteed.

Laws and regulation in relation to general investment and company laws in Bangladesh

Foreign investment in Bangladesh must be made through the establishment of a legal entity in Bangladesh which may be a subsidiary, a “Greenfield” enterprise, a branch office or a liaison office.

Branch, liaison and representative offices for offshore entities are first required to secure approval from the Bangladesh Investment Development Authority (BIDA) and then register with the Registrar of the Joint Stock Companies & Firms.

All branch, liaison and representative offices are required to file annual returns with the Registrar of the Joint Stock Companies & Firms along with audited accounts of the financial year as approved by the board of directors of its parent.

GOVERNMENT REGULATIONS

Licensing regime in relation to the representative office set up by our Group in Bangladesh

Before a representative office can commence operations in Bangladesh, it needs to proceed with the necessary registration or documents submission and obtains the relevant licenses as follows:

- (a) Registration from Department of Inspection for Factories & Establishment for Establishment Certificate;
- (b) Registration with central Bank of Bangladesh as per Section 18B of the Foreign Exchange Regulation Act, 1947;
- (c) Registration with National Board of Revenue for direct tax (Tax Registration);
- (d) Registration with National Board of Revenue for value added tax (VAT Registration); and
- (e) Registration with local city corporation/municipalities for use of a place for business (Trade Licence).

As representative offices cannot carry on manufacturing or commercial activities, no environment clearance, factory registration, import or export registration certificate or fire licence is required to be obtained.

Laws and regulation in relation to the land use right in Bangladesh

Land in Bangladesh belongs to the state. Land may be leased from the Bangladesh government for one hundred years subject to further renewal and freehold or private land or space may also be leased. A foreign investor may purchase land or lease land from private parties or it can lease land from the Bangladesh government. All transfer of ownership, lease of land and mortgage of land are required to be recorded in the land registrar's office of the corresponding area except for leases of building space in form of tenancies.

Ownership of land and lease of land are generally conferred with the right of use of the land unless otherwise stated in the lease agreement. All legitimate land must have land registration certificate/deed in their name. Similarly, all legitimate owners of property or buildings constructed on land are entitled to obtain certificates of property ownership. These certificates/deeds constitute conclusive evidence of the rights of land users and property owners, and provide the basis for the users to exercise their rights, such as to transfer, to mortgage or to dispose of their land use rights or properties. The Bangladesh government has set up a few export processing zones ("EPZs") to specially facilitate export oriented industries in those EPZs. A foreign investor can lease land under those EPZs.

Foreign investors are required to form a local entity first to acquire any land use right in Bangladesh.

Law and regulations in relation to labour and employment in Bangladesh

In 2006 the new Labour Code, 2006 emerged as the only labour law in Bangladesh operating outside of EPZs. In government organisations and in some private organisations as well, a probation period exists for skilled or semi-skilled workers varying between three months to six months and during this period either party may serve one month's notice for termination. In the private sector, labour is governed in accordance with the principles enunciated in the International Labour Organisation ("ILO") convention and recommendations.

GOVERNMENT REGULATIONS

In the private sector, the wages & fringes benefits of the workers and employees are determined through bargaining process. Sometimes private industries follow the public sector wages & salary structure for their workers and employees respectively. In Bangladesh, employees are classified as follows:

- Apprentice
- Badlis (in change)
- Casual
- Permanent
- Probationer
- Temporary (sometimes referred to as contractual)

Employment Conditions:

The minimum age for workers in Bangladesh is 16 years old for factories and establishments. Employment contracts are facilitated by way of a letter of offer. Workers may also be engaged on verbal agreements. In government organisations and in some private organisations, there may be a probation period for skilled or semi-skilled workers which may vary between three months to one year. During this period, either party may serve one month's notice to terminate the employment contract. In the private sector, labour is governed in accordance with the principles enunciated in the ILO convention and recommendations.

Settlement of Labour Disputes:

Labour disputes are settled by the Labour Tribunal, a court specifically created to handle labour matters. Appeals lie with the Labour Appellate Tribunal.

While labour unions are not mandatory, twenty per cent. (20%) of employees of an entity such as a company, branch, liaison or representative office may agree to form such a union. Where there is a union, it acts as a Collective Bargaining Agent (“**CBA**”). In the case of multiple unions, the CBA is elected. Contracts or agreements are usually made between the management and the CBA to settle industrial disputes as per provisions of Labour Act, 2006. Where a bipartite negotiation fails, the aggrieved party may request parties to undergo a conciliation process facilitated by the government. If the conciliation process is successful, a settlement agreement is signed between the parties which is witnessed by a Conciliation Officer. If it fails, the party raising the dispute may go on strike or lockout. The government may, however, prohibit such strike or lockout after one month in the interest of the public. In the essential services like, (i) electricity, gas, oil and water supply etc. (ii) hospital & ambulance service, (iii) fire brigade, (iv) railway and Bangladesh Biman and (v) ports etc., strikes are prohibited.

GOVERNMENT REGULATIONS

Wages and Fringe Benefits:

In the public sector, wages and fringe benefits of the workers are determined by the government on the recommendation of the National Wages Commission established from time to time for specific sectors. The wages and fringe benefits for public sector employees are, however, covered by the Pay Commission and declared by the government from time to time. In the private sector, the wages and fringes benefits of the workers and employees are determined through collective bargaining processes. Sometimes private industries follow the public sector wages and salary structure for their workers and employees respectively.

Leave and Holidays:

All employees of a business organisation are entitled to a 1.5 days' rest per week and 1 day's rest per week in factories. An employee is entitled to ten days' annual leave and fourteen days' sick leave with pay per year. An employee completing one year's service is entitled to get in the next twelve months one day's leave for every eighteen days' work in the preceding year. An employee is entitled to eleven days' festival holidays in each year. If he is required to work on a festival holiday, he is entitled to two days' wages, one compensatory leave and alternative leave. Maternity leave is allowed for eight weeks distributed around the delivery date.

Social Security:

Under the labour laws of Bangladesh, labour insurance is not mandatory. If an entity has Bangladeshi Taka ("BDT") 10,000,000.00 or more paid up capital, or permanent assets of BDT 20,000,000.00 or more, it has to contribute 5% of its profit among Workers Profit Participation Fund, Welfare Fund and National Labour Welfare Fund in a 80:10:10 ratio.

Maternity Benefits: If a female employee has completed minimum six months work tenure in a company, she is entitled to an eight weeks' pre and post leave with her full pay upon delivery. While there are other certain benefits that the employers can provide to the employees as stipulated under the law, these are not mandatory.

Provident Fund: Although not mandatory, employers are advised to maintain a provident fund for the employees. Employees shall provide a specific percentage of their basic salary up to 8.33% to the fund whereas the company will contribute an equal amount for that employee in the fund. This provident fund entitlement will never be jeopardized by any action on the part of employee/employer. The provident fund must be maintained by a board of trustees as appointed by the company. Whereas it is not mandatory, it must be formed if three-fourths of the employees request so.

Gratuity: It is a mandatory benefit payable at the termination of the employment by the employee or the employer. For employees with a tenure of less than ten years, such employee is entitled to one month's basic wages for each completed year. For employees with a tenure of higher than ten years, such employee is entitled to one and half months' of basic wages for each completed year.

Working Hours: In general, stipulated maximum work hour of an employee should not exceed 8 hours per day. Employers must provide employees with a one-hour break where daily work hours exceed six hours. Stipulated total work hours in a week should not exceed 48 hours. However, employees may work overtime but should be given a wage at the rate of double of the prevailing wage rate for the overtime. Notwithstanding the foregoing, the total work hours performed by an employee shall not exceed 60 per week.

GOVERNMENT REGULATIONS

HONG KONG LAWS AND REGULATIONS

The following description is a summary of the material laws and jurisdictions applicable to our Group under Hong Kong law as at the Latest Practicable Date.

Import and Export (Registration) Regulations (Cap. 60E of the Laws of Hong Kong) (the “IER Regulations”)

The IER Regulations provide that every person who imports or exports any article other than an exempted article shall lodge an accurate and complete import or export declaration relating to such article with the Commissioner of Customs and Excise within 14 days after the importation or exportation of the article.

Any person who fails or neglects to declare within 14 days after importation or exportation without reasonable excuse is liable to a fine of HK\$2,000 upon summary conviction and commencing on the day following the date of conviction, a fine of HK\$100 in respect of every day during which his failure or neglect to lodge such declaration continues. Furthermore, any person who knowingly or recklessly lodges any declaration with the Commissioner of Customs and Excise that is inaccurate in any material particular shall be guilty of an offence and liable to a fine of HK\$10,000 on summary conviction.

Further, a penalty is payable for any person who does not lodge the declaration within 14 days after the importation or exportation. If the total value of articles specified in a declaration does not exceed HK\$20,000, the penalty payable will be: (a) HK\$20 for lodgement of declaration after 14 days but within one month and 14 days after the importation or exportation; (b) HK\$40 for lodgement of declaration after one month and 14 days but within two months and 14 days after importation or exportation; and (c) HK\$100 for lodgement of declaration after two months and 14 days after the importation or exportation. If the total value of articles specified in a declaration exceeds HK\$20,000, the aforesaid penalty charges will be doubled to HK\$40, HK\$80 and HK\$200 respectively.

Business Registration Ordinance (Cap. 310 of the Laws of Hong Kong) (the “BR Ordinance”)

The BR Ordinance requires every company incorporated in Hong Kong under Companies Ordinance or non-Hong Kong company that has established a place of business in Hong Kong to apply for business registration with the Business Registration Office of the Inland Revenue Department within one month from the date of commencement of the business, and to display a valid business registration certificate at the place of business.

Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong) (the “TM Ordinance”)

The TM Ordinance provides for the registration of trademarks, the use of registered trademarks and connected matters. Hong Kong provides territorial protection for trademarks. Therefore, trademarks registered in other countries or regions are not automatically entitled to protection in Hong Kong. In order to enjoy protection by the laws of Hong Kong, trademarks must be registered with the Trade Marks Registry of the Hong Kong Intellectual Property Department under the HK TMO and the Trade Marks Rules (Cap. 559A of the Laws of Hong Kong) (the “Trade Marks Rules”).

GOVERNMENT REGULATIONS

According to section 10 of the TM Ordinance, a registered trademark is a property right acquired through due registration under such ordinance. The owner of a registered trademark has the rights and is entitled to the remedies provided by the TM Ordinance.

Our Group is the registered owner and proprietor of the trademarks as set out in the section entitled “Intellectual Property Rights” of this Offer Document. Pursuant to section 14 of the TM Ordinance, the owner of a registered trademark is conferred exclusive rights in the trademark. The rights of the owner in respect of the registered trademark have effect from the date of the registration of the trademark which is the filing date of the application for registration, according to section 48 of the TM Ordinance.

Subject to the exceptions in section 19 to section 21 of the TM Ordinance, any use of trademark by third parties without the consent of the registered owner is an infringement of the trademark. Conduct which amount to infringement of the registered trademark are further specified in section 18 of the TM Ordinance. Under section 23 and section 25 of the TM Ordinance, an infringement proceeding will be conducted if an infringement of trademark takes place and the registered owner is entitled to remedies under the TM Ordinance.

Trademarks which are not registered under the TM Ordinance and the Trade Marks Rules may still be protected by the common law action of passing off, which requires proof of the owner’s reputation in the unregistered trademark and that use of the trademark by third parties will cause damage to the owner.

Employment Ordinance (Cap. 57 of the Laws of Hong Kong) (the “Employment Ordinance”)

The Employment Ordinance provides various employment-related benefits and entitlements to employees. All employees covered by the Employment Ordinance, irrespective of their hours of work, are entitled to basic protection under the Employment Ordinance including, among others, payment of wages (which is defined under the Employment Ordinance to include, among others, remuneration and overtime pay), restrictions on wages deductions and granting of statutory holidays. Employees who are employed under a continuous contract may be further entitled to such benefits as rest days, paid annual leave, sickness allowance, severance payment and long service payment.

Under section 25 of the Employment Ordinance, where a contract of employment is terminated, any sum due to the employee (other than severance payment, if any) shall be paid to him as soon as it is practicable and, in any case, not later than seven days after the day of termination. Any employer who wilfully and without reasonable excuse contravenes section 25 of the Employment Ordinance commits an offence and is liable to a maximum fine of HK\$350,000 and to imprisonment for a maximum of three years. Further, under section 25A of the Employment Ordinance, if any wages or any sum referred to in section 25(2)(a) of the Employment Ordinance are not paid within seven days from the day on which they become due, the employer shall pay interest at a specified rate on the outstanding amount of wages or sum from the date on which such wages or sum become due up to the date of actual payment. Any employer who wilfully and without reasonable excuse contravenes section 25A of the Employment Ordinance commits an offence and is liable on conviction to a maximum fine of HK\$10,000.

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Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) (the “MPFS Ordinance”)

The MPFS Ordinance provides that an employer shall enrol their regular employees (except for certain exempt persons) aged at least 18 but under 65 years of age and employed for 60 days or more in a Mandatory Provident Fund (“MPF”) scheme within the first 60 days of employment.

For both employees and employers, it is mandatory to make regular contributions to an MPF scheme. For an employee, subject to the maximum and minimum levels of income (HK\$30,000 and HK\$7,100 per month respectively on or after 1 June 2014), an employer will deduct five per cent. (5%) of the relevant income on behalf of an employee as mandatory contributions to a registered MPF scheme with a ceiling of HK\$1,500 on or after 1 June 2014. An employer will also be required to contribute an amount equivalent to five per cent. (5%) of an employee’s relevant income to the MPF scheme, subject only to the maximum level of income (HK\$30,000 on or after 1 June 2014). The Mandatory Provident Fund Schemes Authority established under the MPFS Ordinance regulates the operations of MPF schemes in accordance with the provisions under the MPFS Ordinance.

CAMBODIA LAWS AND REGULATIONS

Commercial Registration Related

The primary governing laws on commercial activities, foreign businesses, and commercial enterprises in Cambodia are Law on Commercial Enterprises (Royal Kram No. NS/RKM/0605/019 dated 19 June 2005, amended by Royal Kram NS/RKM/0122/003 dated 29 January 2022) and Law on Commercial Rules and Register (Royal Kram No. NS/RKM/1199/12 dated 18 November 1999, and subsequent amendments with the latest by Royal Kram No. NS/RKM/0122/002 dated 29 January 2022); according to which, all enterprises doing business in Cambodia must be registered and incorporated with the Ministry of Commerce.

Commercial registration at the Ministry of Commerce is primary for any establishment of business in Cambodia. Foreign businesses can be established to do business or conduct commercial acts in Cambodia in either of the following forms: representative office, branch office, or subsidiary. While a representative office is only allowed to conduct a very limited scope of activities such as market study and research, a branch office is permitted to carry out a broader scope of activities including doing business for profit which are the same as those permitted to a fully incorporated company. Please note that a representative office and a branch office are an extension of their principal company, they do not have a legal personality separate from the principal company. Therefore, the assets of the branch office and representative office are the assets of the principal company, and the latter will also be made liable for any obligations of its branch office and representative office.

The Royal Government of Cambodia has rolled out the Online Business Registration (OBR) Portal, a new one-stop-shop IT platform that streamlines the online registration of new businesses. This portal, launched on 15 June 2020, offers a straightforward registration procedure that requires an investor to submit only one set of applications along with the necessary information and documents. The process is cost-effective and ensures speedy approval from four authorities: the Ministry of Commerce, the General Department of Taxation, the Ministry of Labor and Vocational Training, and the National Social Security Funds.

GOVERNMENT REGULATIONS

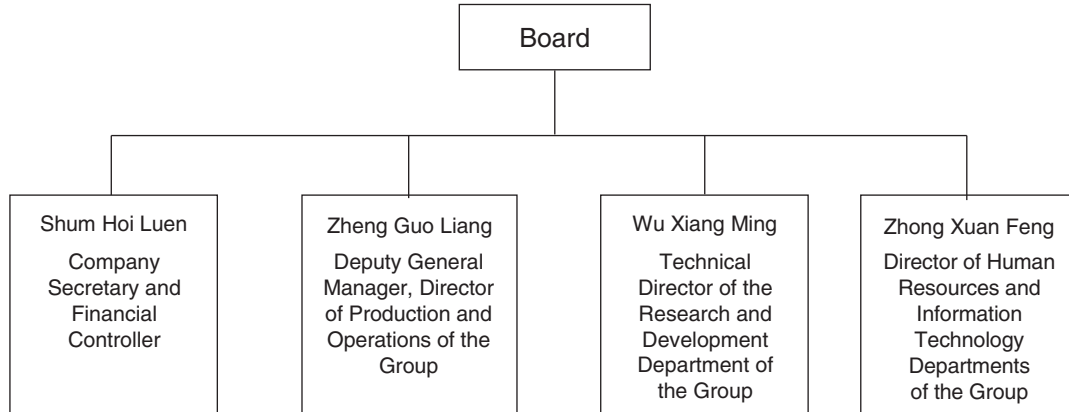
Employee Related

The relationship between employers and employees in Cambodia are primarily governed by the Labour Law (Royal Kram No. NS/RKM/0397/01 dated 13 March 1997) and its amendments, and the Law on Social Security Schemes (Royal Kram No. NS/RKM/1119/018 dated 2 November 2019). Key aspects include: (i) employers are required to comply with filing and reporting requirements to the Ministry of Labour and Vocational Training as well as ensuring work permits and foreign worker quotas; and (ii) employers must register employees with the National Social Security Funds which provides coverage for occupational risk, healthcare and pension.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out below:



DIRECTORS

Our Directors are entrusted with the responsibility for the overall management of our Group. The particulars of our Directors as at the date of this Offer Document are set out below:

Name	Age	Designation
leong Un	70	Chairman and Chief Executive Officer
Ip Ka Lun	71	Executive Director and Deputy General Manager
Stephen Graham Prince	62	Executive Director and Director of Business and Marketing of the Group
Chan Wing Yau George	70	Independent Director
Simon Luk	60	Independent Director
Li Sin Man	44	Lead Independent Director
Tay Peng Huat	62	Independent Director

The correspondence address of all our Directors is Units 2201-2202, 22/F Alliance Building, 133 Connaught Road Central, Hong Kong.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Directors is set out below:

Mr. leong Un

Mr. leong, aged 70, being a founder of our Group, is an executive Director, the chairman of the Board and the CEO of our Group. He was appointed as a director of our Company on 15 December 2009. Mr. leong is primarily responsible for (i) our Group's strategic planning, including geographical and network expansion of our Group's business; (ii) product research and development; (iii) enhancement of our Group's capability in marketing and promotion as well as technical assistance to customers; and (iv) positioning our Group in the adhesive industry. Mr. leong has been leading our Group engaging in adhesive development, sale and production business. Mr. leong has approximately 30 years' experience in the adhesive related industry. Prior to the establishment of our Group in 1990, Mr. leong held a senior management position of Luen Ying Hong Company Limited, a distributor of petroleum related products for more than 6 years in Macau. During such employment, Mr. leong was responsible for the maintenance of relationships with business partners for business development. Mr. leong is the sole shareholder and sole director of All Reach Investments Limited, the Controlling Shareholder of our Company. Mr leong graduated with a high school diploma.

Mr. Ip Ka Lun ("Mr KL Ip")

Mr. KL Ip, aged 71, is an executive Director and the Deputy General Manager of our Group. He was appointed as director of our Company on 21 December 2009. He is responsible for overseeing the treasury and administrative functions of our Group and also assists the chairman of the Board in formulating business strategies and implementing corporate and operational decisions. Mr. KL Ip has 40 years' experience of overseeing the operation of accounting and finance departments. Prior to joining our Group in 2000, he joined Noble City (Holdings) Limited, a holding company carrying out construction materials-related business in the PRC as a finance manager from 1998 to 2000. He was the manager of finance and accounts department of Yaohan Department Store (H.K.) Limited in Hong Kong from 1984 to 1997, was an accountant at China Cement Co (HK) Ltd. from 1982 to 1984 and an accountant at Outbound Marine Asia Ltd from 1979 to 1982. Mr. KL Ip was an accountant at Wing Lok Fur Company Limited from 1977 to 1979. Mr. KL Ip obtained a Bachelor Degree in Business from Tamkang University Taiwan in 1977.

Mr. Stephen Graham Prince ("Mr. Prince")

Mr. Prince, aged 62, is an executive Director and the director of business and marketing of our Group. He was appointed director of our Company on 21 December 2009. He is responsible for overseeing sales and marketing functions of our Group. Prior to joining our Group in 2005, Mr. Prince worked as a general manager of Interliance LLC. and was the chief representative of this company in Shanghai, responsible for project management, business intelligence and operational strategy. Prior to this, Mr Prince worked as the marketing director of Sinosure Incorporated from 2000 to 2003, worked at Blue Cross Blue Shield as a junior marketing manager from 1999 to 2000, and was a junior marketing analyst at Mount Sinai Health System from 1992 to 1999. Mr. Prince obtained a master's degree of business administration from Fordham University in 2001.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Mr. Chan Wing Yau George (“Mr. Chan”)

Mr. Chan, aged 70, is an independent non-executive Director of our Group. He was appointed as a director of our Company on 26 March 2010. Mr. Chan was an independent non-executive director of Weiqiao Textile Company Limited (“**Weiqiao**”), a company previously listed on the Hong Kong Main Board of the Stock Exchange in May 2021 and he ceased the position of the independent non-executive director of Weiqiao upon the completion of privatisation and withdrawal of listing of Weiqiao for the year ended 30 September 2024. He is presently the chief investment officer of China Financial International Investments and Management Limited and chief executive officer of Capital Focus Asset Management Limited and the managing director of Shun Loong Securities Company Limited. Mr. Chan has also held various employment positions at China Golden Development Holdings Limited from 2005 to 2006, Principal Asset Management Company (Asia) Limited from 2004 to 2005, Dao Heng Fund Management Limited from 1998 to 2004, Peregrine Asset Management (HK) Limited from 1995 to 1998, HSBC Asset Management Hong Kong Limited from 1993 to 1995, Jardine Fleming Investment Services Limited from 1986 to 1993, and William M. Mercer Ltd. from 1978 to 1986. He has extensive experience in fund management. Mr. Chan obtained a bachelor’s degree in mathematics from the University of Waterloo in 1977.

Mr. Simon Luk (“Mr. Luk”)

Mr. Luk, aged 60, is an independent non-executive Director of our Group. He was appointed as a director of our Company on 21 November 2013. Mr. Luk has over 20 years’ experience in the asset management and investment advisory sectors, including appointments as responsible officer to engage in Type 9 (Asset Management) regulated activities under the SFO HK. Mr. Luk has been appointed as an independent non-executive director of China Investment and Finance Group Limited (Stock code: 1226), a company listed on the Main Board of the Hong Kong Stock Exchange since 2 July 2014. Mr. Luk was an independent non-executive director of Link Holdings Limited (Stock code: 8237), a company listed on GEM of the Hong Kong Stock Exchange, from November 2021 to July 2023. Since 23 September 2020, Mr. Luk has been the investment manager and responsible officer of Zhanlin Securities Limited (formerly known as EAI Securities Limited). He was previously appointed responsible officer at Thoth Investment Management Ltd from 2016 to 2020, W. Falcon Asset Management from 2014 to 2016, Capital Focus Asset Management Ltd from 2010 to 2013 and Money Concepts (Asia) Ltd from 2000 to 2010. Mr. Luk was a wealth management advisor with T G Holborn (Hong Kong) Limited from 1999 to 2000, a general manager with Euromoney Training from 1998 to 1999, the founder of Peter Success International Limited and was there from 1994 to 1997. He was a business development manager from 1990 to 1993 at Sumikin Bussan International (HK) Ltd. Mr. Luk graduated from the University of Alberta in 1990 with a bachelor’s degree in arts.

Ms. Li Sin Man (“Ms. Li”)

Ms Li, aged 44, is an independent non-executive Director of our Group. She was appointed as a director of our Company on 29 December 2023. Ms. Li has over 10 years of experience in accounting and financial management. Since June 2016, she has been working for Prudential Hong Kong Limited and she currently serves as unit manager. She held accounting positions in various companies from 2007 to 2016 such as an accounting officer at China Overseas Holdings Limited from 2007 to 2009. She worked in various audit firms from 2002 to 2006 including at Deloitte Touche Tohmatsu from 2005 to 2006. Ms. Li graduated with a Bachelor’s Degree in Accountancy from The Hong Kong Polytechnic University in 2002 and graduated from Hong Kong Chu Hai College in 2021 with a Master of Social Sciences in International Business Management

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

for Belt and Road Countries with Merit. Since August 2006, she has been a member of the Association of Chartered Certified Accountants (“ACCA”). Since August 2011, she has been a fellow member of the ACCA.

Mr. Tay Peng Huat (“Mr. Tay”)

Mr Tay Peng Huat, aged 62, is an independent non-executive Director of our Group. He was appointed as a director of our Company on 25 August 2025. He has over 35 years of experience in finance and accounting. He has been appointed as non-executive director of OKP Limited since 23 April 2024. He was the Chief Financial Officer of Jumbo Group Limited, a company listed on the Catalist Board of the SGX-ST, from 2014 to 2023, and subsequently, served as its Senior Advisor, CEO Office, until September 2024. Between 2000 and 2013, he held senior leadership positions in various listed and private organisations, including Deputy General Manager and Chief Financial Officer of p3.com Pte Ltd (a subsidiary of Pan Pacific Public Company Ltd); Chief Financial Officer of Ezyhealth Asia Pacific Ltd (now known as Wilmar International Limited), a company listed on the Mainboard of the SGX-ST; Finance Director of Synnex Information Technologies Inc. for its Asia Pacific operations; and Chief Financial Officer of Beyonics Technology Limited, a company previously listed on the Mainboard of the SGX-ST. From 1996 to 2000, he served as the Group Financial Controller of Electronic Resources Limited. He began his career with Ernst & Young Singapore in 1988 and was an audit manager when he left in 1996 to venture into corporate finance. Mr Tay is a Fellow of the Institute of Singapore Chartered Accountants, and a Senior Accredited Director of the Singapore Institute of Directors. He graduated with a Bachelor of Accountancy from the National University of Singapore in 1988.

PAST AND PRESENT DIRECTORSHIPS

The list of present and past directorships of each Director over the last five (5) years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present and past directorships of Group companies (including associated companies)	Present and past directorships of other companies
Mr leong Un	<p>Present</p> <ul style="list-style-type: none"> • Keen Castle • Ally Link • Iao Son Hong Paint Company • Rich Castle • Macson • Righton • Greenfield • Grand Infinite • Zhong Bu Singapore • Zhong Bu Taiwan • Zhong Bu India • Zhong Bu Malaysia <p>Past</p> <ul style="list-style-type: none"> • NIL 	<p>Present</p> <ul style="list-style-type: none"> • All Reach Investments Limited • Easy Ray Holdings Ltd <p>Past</p> <ul style="list-style-type: none"> • NIL

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present and past directorships of Group companies (including associated companies)	Present and past directorships of other companies
Mr Ip Ka Lun	<p><u>Present</u></p> <ul style="list-style-type: none"> • Iao Son Hong Paint Company • Zhong Bu (Centresin) • Macson • Rich Castle • Aerial Bright • Grand Infinite • Star Grand • Big Capital • Zhuhai Centresin • PT. Zhongbu Resins • Zhong Bu Taiwan • Warrant Parking • Zhong Bu Malaysia <p><u>Past</u></p> <ul style="list-style-type: none"> • Zhong Bu Singapore • Zhongshan Macson Adhesive Product Co., Ltd. 	<p><u>Present</u></p> <ul style="list-style-type: none"> • Flextile Holding Co. Ltd <p><u>Past</u></p> <ul style="list-style-type: none"> • Hong Fu Material Technology Company Limited
Mr Stephen Graham Prince	<p><u>Present</u></p> <ul style="list-style-type: none"> • Zhong Bu Singapore • Zhong Bu India <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL 	<p><u>Present</u></p> <ul style="list-style-type: none"> • NIL <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL
Mr Chan Wing Yau George	<p><u>Present</u></p> <ul style="list-style-type: none"> • NIL <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL 	<p><u>Present</u></p> <ul style="list-style-type: none"> • Apex Great Holdings Limited • CF Funds SPC • Capital Focus Asset Management Limited • Charter Win Development Limited • China Financial International Investments & Managements Limited • Elephant Club Consumer Debt Fund • Shun Loong Securities Company Limited • Tresor Capital Limited • Hong Kong Institute of Financial Analysts and Professional Commentators Limited

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present and past directorships of Group companies (including associated companies)	Present and past directorships of other companies
		<ul style="list-style-type: none"> • Hong Kong Institute of Financial Analysts and Professional Commentators Foundation Limited • Hong Kong Institute of Financial Analysts Limited • Hong Kong Macau Greater Bay Low Flying Aviation Safety Association Limited <p><u>Past</u></p> <ul style="list-style-type: none"> • Capital Focus Risk Consultants Limited • CF Asset Management (Cayman) Limited • Weiqiao Textile Company Limited
Mr Simon Luk	<p><u>Present</u></p> <ul style="list-style-type: none"> • NIL <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL 	<p><u>Present</u></p> <ul style="list-style-type: none"> • China Investment and Finance Group Limited <p><u>Past</u></p> <ul style="list-style-type: none"> • Link Holdings Limited
Ms Li Sin Man	<p><u>Present</u></p> <ul style="list-style-type: none"> • NIL <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL 	<p><u>Present</u></p> <ul style="list-style-type: none"> • Genesis Migration Limited (in the process of deregistration) • 28Run Limited • 28Run Association Limited <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL
Mr Tay Peng Huat	<p><u>Present</u></p> <ul style="list-style-type: none"> • NIL <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL 	<p><u>Present</u></p> <ul style="list-style-type: none"> • OKP Holdings Limited <p><u>Past</u></p> <ul style="list-style-type: none"> • Jumbo Group of Restaurants Pte. Ltd. • Jumbo F&B Services Pte. Ltd. • Jardine Enterprise Pte Ltd • Jumbo Seafood Pte Ltd • Ng Ah Sio Investments Pte. Ltd. • Ng Ah Sio Pte. Ltd. • Vista F&B Services Pte. Ltd. • Jumbo F&B Services (Taiwan) Co Ltd • Kok Kee Wanton Noodle Pte. Ltd. • JLL F&B Services Pte. Ltd. • JSL F&B Services Pte. Ltd. • JCC Food Concepts Pte. Ltd.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

As our Company is listed on the HKSE, all our Directors (save for Mr. Tay Peng Huat) have experience as a director of at least one (1) public listed company in Hong Kong. Our Directors have also been briefed on the roles and responsibilities of a director of a public-listed company in Singapore.

All our Directors, save for Mr Tay Peng Huat, do not have experience as directors of public-listed companies in Singapore. Mr. leong Un, and Mr. Ip Ka Lun had attended LEDM – Listed Entity Director Programme (Mandarin) – Core in September 2024. Mr. leong Un, Mr. Ip Ka Lun and Mr. Stephen Graham Prince will undergo training as prescribed by the SGX-ST pursuant to Practice Note 4D of the Catalist Rules by the end of the first year of our Company's listing on Catalist. Mr. Chan Wing Yau George, Mr. Simon Luk and Ms. Li Sin Man will undertake to undergo training as prescribed by the SGX-ST pursuant to Practice Note 4D of the Catalist Rules by the end of the first year of our Company's listing on Catalist

None of our Independent Directors have been appointed to the board of any of our subsidiaries.

To comply with Catalist Rule 406(3)(c) after the next annual general meeting after our Company's listing on the Catalist, Mr. Simon Luk and Mr. Chan Wing Yau George, current directors of the Company who have served in the Company for more than 9 years, will be resigning, and the Company plans to appoint two (2) new independent directors who are suitable and would comply with Catalist Rule 406(3)(d) by our Company's first annual general meeting after our Company's listing on the Catalist. Based on the foregoing, the Company would be in compliance with Catalist Rules 406(3)(c) and 406(3)(d) both at the time of Listing up to the conclusion of the first annual general meeting subsequent to the Company's listing on the Catalist.

EXECUTIVE OFFICERS

Our day-to-day operations are entrusted to our Board of Director who are assisted by our Senior Management. The particulars of our Senior Management are set out below:

Name	Age	Designation
Mr. Zheng Guo Liang	62	Deputy General Manager and Director of Production and Operations of the Group
Mr. Wu Xiang Ming	56	Technical Director of the Research and Development Department of the Group
Mr. Zhong Xuan Feng	54	Director of Human Resources and Information Technology Departments of the Group
Mr. Shum Hoi Luen	50	Financial Controller and Company Secretary

The correspondence address of all our Executive Officers is Units 2201-2202, 22/F Alliance Building, 133 Connaught Road Central, Hong Kong.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Executive Officers are set out below:

Mr. Zheng Guo Liang (“Mr Zheng”)

Mr. Zheng, aged 62, is the Deputy General Manager and Director of Production and Operations of our Group. Mr. Zheng is currently responsible for planning and operating matters in terms of production. Mr. Zheng joined our Group as a sales representative in 1990. Prior to joining our Group, Mr. Zheng worked for a mechanical engineering company in Zhuhai and was responsible for mechanical maintenance for approximately 3 years. Mr. Zheng finished his high school education in 1987.

Mr. Wu Xiang Ming (“Mr Wu”)

Mr. Wu, aged 56, is the Technical Director of the Research and Development Department of our Group responsible for the establishment and implementation of the research and development plan in accordance with the requirements of the customers of our Group and the market. He is also responsible for the general management of the research and development team of our Group. Prior to joining our Group in 2007, Mr. Wu had more than 11 years’ research and development working experience. He was a research and development manager of a Hong Kong-based storage media company from 1996 to 2007, and was an instructor at Anhui Vocational and Technical College from 1990 to 1993. Mr. Wu graduated from East China University of Science and Technology (formerly known as East China Institute of Science and Technology) in 1990 with a Bachelor’s Degree in Engineering and obtained a Master’s Degree of Engineering from Zhejiang University in 1996.

Mr. Zhong Xuan Feng (“Mr. Zhong”)

Mr. Zhong, aged 54, is the Director of the Human Resources and Information Technology Departments of our Group, responsible for diverse range of human resources activities of our Group including recruitment, compensation and benefits, staff training and employee relationship management. Apart from human resources, he is also responsible for the development of information technology platforms to support the operations of our Group in accordance with its development needs. Mr. Zhong joined our Group in 1998. He had 4 years’ of accounting experience prior to joining our Group. He was previously an accountant in the accounting department of an investment company from 1996 to 1998 and an accounting supervisor at Guangdong Kaiyuan Company from 1992 to 1994. In 2006, Mr. Zhong was sponsored by our Group to study in Hong Kong, and obtained a master’s degree in business administration from Hong Kong Baptist University in 2008.

Mr. Shum Hoi Luen (“Mr. Shum”)

Mr. Shum, aged 50, joined our Group in April 2018 and was appointed as the company secretary of the Company in May 2018. Mr. Shum is also the financial controller of the Company and is mainly responsible for company secretarial affairs, corporate governance and corporate finance of our Group. Mr. Shum is also currently the company secretary of Superland Group Holdings Limited (Stock code: 368), a company listed on the Main Board of The Hong Kong Stock Exchange Limited, since 2019, the company secretary of a private investment holding company which is a member of a group of companies engaging in the manufacture and sale of Chinese wine in China since 2021, and the company secretary of a private company and its subsidiary, which are members of a group of companies engaging in manufacture and sales of cosmetics products in China and Australia since 2012. Before joining our Group, Mr. Shum has held various accounting,

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

finance and company secretary positions from 2004 to 2018, including companies listed on the Main Board of The Hong Kong Stock Exchange Limited, such as K. H. Group Holdings Limited (Stock code: 1557) and Z-Obee Holdings Limited (now known as Alpha Professional Holdings Limited (Stock code: 948)). Mr. Shum began his career at a Big 4 accounting firm in 1997. Mr. Shum obtained a Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University in 1997. He is currently a fellow member of the ACCA, Hong Kong Institute of Certified Public Accountants, Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries).

PAST AND PRESENT DIRECTORSHIPS

The list of present and past directorships of each Executive Officer over the last five (5) years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present and past directorships of Group companies (including associated companies)	Present and past directorships of other companies
Mr. Zheng	<p><u>Present</u></p> <ul style="list-style-type: none"> • NIL <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL 	<p><u>Present</u></p> <ul style="list-style-type: none"> • NIL <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL
Mr. Wu	<p><u>Present</u></p> <ul style="list-style-type: none"> • NIL <p><u>Past</u></p> <ul style="list-style-type: none"> • Zhong Bu Development Singapore Private Limited 	<p><u>Present</u></p> <ul style="list-style-type: none"> • Anqing Guangda Chemical Company Limited <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL
Mr. Zhong	<p><u>Present</u></p> <ul style="list-style-type: none"> • Guangzhou Xingqian New Energy Company Limited • Grand Infinite Holdings Limited <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL 	<p><u>Present</u></p> <ul style="list-style-type: none"> • NIL <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL
Mr. Shum	<p><u>Present</u></p> <ul style="list-style-type: none"> • NIL <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL 	<p><u>Present</u></p> <ul style="list-style-type: none"> • Great Success Consultants Limited <p><u>Past</u></p> <ul style="list-style-type: none"> • NIL

There is no arrangement or understanding with a Substantial Shareholder, customer or supplier of our Group or other person, pursuant to which any of our Directors or Executive Officers was selected as a Director or Executive Officers of our Company.

None of our Directors or Executive Officers has any family relationships with one another, or with our Substantial Shareholders.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

STAFF

As at 31 March 2025, we have a workforce of 431 full-time employees. Our employees are employed globally in regions such as Macau, Hong Kong, PRC, Vietnam, Indonesia, Bangladesh, Cambodia, Taiwan, Singapore, and India. We do not experience any significant seasonal fluctuations in our number of employees.

The Company does not employ any part-time employees.

As at 31 July 2025, 137 of our employees employed by our Group are unionised.

The Subsidiaries below have established labour unions, details of which are as follows:

Name of Subsidiary	Name of labour union	Date of establishment of labour union	Approving authority	Relationship between company and labour union
Zhong Bu Adhesive (Vietnam) Co., Ltd	Trade Union of Zhong Bu Adhesive (Vietnam) Co., Ltd	8 June 2007	The Industrial Zones Trade Union under the Binh Duong Province Labor Federation	Zhong Bu Adhesive (Vietnam) Co., Ltd (formerly known as lao Son Hong (Vietnam) Co., Ltd) entered into a collective labour agreement with the grassroots-level Trade Union of Zhong Bu Adhesive (Vietnam) Co., Ltd (formerly known as Trade Union of lao Son Hong (Vietnam) Co., Ltd) in 2022 and in 2024. The collective labour agreement signed in 2022 has since expired and the collective labour agreement signed in 2024 is currently valid and effective.

We believe that we maintain a good working relationship with our employees. To date, we have not experienced any labour strikes, and we consider our relationship with our employees to be good.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Number of Employees

The number of employees of our Group as at 30 September 2022, 30 September 2023, 30 September 2024 and 31 March 2025 segmented by function and geographic location are as set out below.

As at 30 September 2022, our Group had 396 employees:

	Macau	Hong Kong	PRC	Vietnam	Indonesia	Bangladesh	Cambodia	Taiwan	Singapore	India
General Management and Corporate Development	6	2	7	7	5	1	0	1	2	0
Administration	5	0	12	15	6	1	1	1	1	0
Finance and Accounting	5	1	10	9	4	0	0	0	1	0
Manufacturing	0	0	38	60	17	0	0	0	0	0
Research and Development	0	0	11	3	2	0	0	0	0	0
Sales, Marketing and Technical Services	0	0	29	71	40	7	14	1	0	0
Sub-Total	16	3	107	165	74	9	15	3	4	0

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

As at 30 September 2023, our Group had 411 employees:

	Macau	Hong Kong	PRC	Vietnam	Indonesia	Bangladesh	Cambodia	Taiwan	Singapore	India
General Management and Corporate Development	4	1	11	10	6	1	1	2	1	2
Administration	6	0	12	16	6	1	0	1	1	0
Finance and Accounting	6	1	10	13	4	0	0	0	1	0
Manufacturing	0	0	36	64	18	0	0	0	0	1
Research and Development	0	0	8	4	2	0	0	0	0	0
Sales, Marketing and Technical Services	0	0	25	70	43	6	15	1	0	1
Sub-Total	16	2	102	177	79	8	16	4	3	4

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

As at 30 September 2024, our Group had 423 employees:

	Macau	Hong Kong	PRC	Vietnam	Indonesia	Bangladesh	Cambodia	Taiwan	Singapore	India
General Management and Corporate Development	5	1	12	10	6	1	1	1	1	4
Administration	5	0	14	16	7	0	0	1	2	0
Finance and Accounting	4	1	10	14	4	0	0	0	1	0
Manufacturing	0	0	36	66	18	0	0	0	0	1
Research and Development	0	0	13	6	3	0	0	0	0	0
Sales, Marketing and Technical Services	0	0	23	70	41	5	17	1	0	2
Sub-Total	14	2	108	182	79	6	18	3	4	7

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

As at 31 March 2025, our Group had 431 employees:

	Macau	Hong Kong	PRC	Vietnam	Indonesia	Bangladesh	Cambodia	Taiwan	Singapore	India
General Management and Corporate Development	6	1	12	10	6	1	1	1	1	2
Administration	7	0	13	16	8	0	0	1	2	1
Finance and Accounting	3	1	10	14	3	0	0	0	1	1
Manufacturing	0	0	34	69	18	0	0	0	0	1
Research and Development	0	0	12	5	3	0	0	0	0	0
Sales, Marketing and Technical Services	0	0	23	70	49	6	17	1	0	1
Sub-Total	16	2	104	184	87	7	18	3	4	6

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

REMUNERATION OF DIRECTORS, CEO AND EXECUTIVE OFFICERS

The remuneration paid to our Directors, CEO and Executive Officers in terms of amount of compensation (which remuneration includes benefits-in-kind and bonuses) for services rendered to us on an aggregate basis and in remuneration bands of HK\$1,000,000 during FY2023 and FY2024 (being the two (2) most recent completed financial years) and as estimated for FY2025 (excluding bonuses under any profit-sharing plan or any other profit-linked agreements or arrangements) are as set out below.

	FY2023	FY2024	FY2025 (estimated)
<u>Directors and CEO</u>			
Mr. leong Un	Band J ⁽¹⁰⁾	Band J ⁽¹⁰⁾	Band J ⁽¹⁰⁾
Mr. Ip Ka Lun	Band C ⁽³⁾	Band C ⁽³⁾	Band C ⁽³⁾
Mr. Stephen Graham Prince	Band C ⁽³⁾	Band C ⁽³⁾	Band C ⁽³⁾
Mr. Chan Wing Yau George	Band A ⁽¹⁾	Band A ⁽¹⁾	Band A ⁽¹⁾
Mr. Simon Luk	Band A ⁽¹⁾	Band A ⁽¹⁾	Band A ⁽¹⁾
Ms. Li Sin Man	NIL ⁽¹¹⁾	Band A ⁽¹⁾	Band A ⁽¹⁾
Mr. Tay Peng Huat	NIL ⁽¹²⁾	NIL ⁽¹²⁾	Band A ⁽¹²⁾
<u>Executive Officers</u>			
Mr. Zheng Guo Liang	Band B ⁽²⁾	Band B ⁽²⁾	Band B ⁽²⁾
Mr. Wu Xiang Ming	Band B ⁽²⁾	Band B ⁽²⁾	Band B ⁽²⁾
Mr. Zhong Xuan Feng	Band C ⁽³⁾	Band C ⁽³⁾	Band C ⁽²⁾
Mr. Shum Hoi Luen	Band B ⁽²⁾	Band B ⁽²⁾	Band B ⁽²⁾

Notes:

- (1) Band A: Compensation from HK\$0 to HK\$1,000,000 per annum.
- (2) Band B: Compensation from HK\$1,000,001 to HK\$2,000,000 per annum.
- (3) Band C: Compensation from HK\$2,000,001 to HK\$3,000,000 per annum.
- (4) Band D: Compensation from HK\$3,000,001 to HK\$4,000,000 per annum.
- (5) Band E: Compensation from HK\$4,000,001 to HK\$5,000,000 per annum.
- (6) Band F: Compensation from HK\$5,000,001 to HK\$6,000,000 per annum.
- (7) Band G: Compensation from HK\$6,000,001 to HK\$7,000,000 per annum.
- (8) Band H: Compensation from HK\$7,000,001 to HK\$8,000,000 per annum.
- (9) Band I: Compensation from HK\$8,000,001 to HK\$9,000,000 per annum.
- (10) Band J: Compensation from HK\$9,000,001 to HK\$10,000,000 per annum.
- (11) Ms. Li Sin Man was appointed with effect from 29 December 2023.
- (12) Mr Tay was appointed with effect from 25 August 2025.

No remuneration was paid or is to be paid in the form of share options to any of our Directors, Executive Officers or employees.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Certain of our employees may receive incentive payments such as bonuses and commissions based on their performance as well as the performance of our Group. These payments are meant to promote our Group's profitability by incentivising, and aligning the interests of our employees with those of our Group. We do not have in place any formal bonus or profit-sharing plan or any other profit-linked agreement or arrangement with any of our employees and bonus is expected to be paid on a discretionary basis.

As at the Latest Practicable Date, save as required for compliance with applicable laws, we have not set aside or accrued any amounts to provide for pension, retirement or similar benefits for our employees and Directors. While our subsidiary in Macau, Iao Son Hong Paint Company, contributes to a joint provident fund scheme ("**Scheme**") which its employees in Macau may voluntarily opt in to, with contributions calculated based on a percentage of the employee's basic salary, such contributions are directly transferred to a contribution account held in such employee's name with the Scheme provider. The contributed amounts can only be withdrawn by the employee after the termination of employment, and the amount which can be withdrawn depends on the number of years of employment. No amounts are set aside or accrued by Iao Son Hong Paint Company to provide for these Scheme contributions.

Related Employees

As at the Latest Practicable Date, none of our employees are immediate family members or are otherwise related to our Directors, Chairman and CEO or Substantial Shareholders.

The remuneration of employees who are related to our Directors, Chairman and CEO or Substantial Shareholders will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Nomination Committee. In the event that a member of our Remuneration Committee or the Nomination Committee is related to the employee under review, he will abstain from the review.

In line with the Code of Corporate Governance 2018, we will disclose in our annual report details of the remuneration of employees who are Substantial Shareholders, or who are immediate family members of our Directors, Chairman or Substantial Shareholders, and whose remuneration exceeds S\$100,000 during the year, in bands of no wider than S\$100,000.

SERVICE AGREEMENTS

Our Company entered into separate service agreements (collectively, the "**Service Agreements**" and each a "**Service Agreement**") with each of the Executive Directors.

The Service Agreements for each of the Executive Directors ("**Executive Director Service Agreement**") are for an initial term of three years ("**Term**") commencing 1 January 2023 and may be terminated by either party by not less than three months' notice in writing served by either party expiring at the end of the initial term or at any time thereafter.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Our Company may terminate an Executive Director Service Agreement if the Executive Director:

- (a) shall be disqualified to act as a director of any member of our Group under any applicable law (including the Companies Ordinance, Chapter 622 of the Laws of Hong Kong) or rules of any stock exchange including the Stock Exchange of Hong Kong Limited;
- (b) shall be guilty of any dishonesty, gross misconduct or wilful neglect in the discharge of duty or shall commit any continued material breach of the terms of the Executive Director Service Agreement after written warning (other than a breach capable of remedy which is remedied by the Executive Director to the satisfaction of the Board of Directors within 30 days upon his/her being called upon to do so in writing by the Board of Directors);
- (c) shall be guilty of conduct likely to bring himself/herself or any member of our Group into disrepute;
- (d) shall become bankrupt or make any arrangement or composition with his/her creditors generally or has a receiving order made against him;
- (e) any company (other than any member of our Group) in which the Executive Director is a director or a direct or indirect shareholder goes into liquidation or becomes insolvent or suffers the presentation of a winding-up petition or analogous proceedings brought against it;
- (f) if the Executive Director is convicted of any criminal offence (other than an offence which in the reasonable opinion of the Board of Directors does not affect his/her position in the Company);
- (g) the Executive Director persistently refuses to carry out any reasonable lawful order given to him/her in the course of his/her employment or persistently fails diligently to attend to his/her duties;
- (h) the Executive Director during the Term is absent (other than periods of holiday) for an aggregate period of 120 working days;
- (i) there is any material or persistent deviation by the Executive Director from any matter or circumstances represented by him in a detailed statement of the exact nature of any other business, trade or occupation in which he/she wishes to engage, the exact nature of the duties and obligations imposed on and the extent of commitment required of or to be assumed by him/her and the amount of time that he/she intends to devote and is likely to be devoted for such purpose; and
- (j) the Executive Director is in material breach of any of the terms of an undertaking furnished to the Board of Directors in respect of the matters represented in the matters referred to in the detailed statement in paragraph (i) above.

Upon termination of the Executive Director's employment under the Executive Director Service Agreement, the Executive Director is not entitled to any benefits or severance payments.

The Executive Director Service Agreements provide for, *inter alia*, the salary payable to the Executive Directors, annual leave and certain restrictive covenants (including non-compete obligations).

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Pursuant to the terms of the Executive Director Service Agreements, each Executive Director agrees and undertakes with our Company that the Executive Director shall not and that he/she will procure that none of his/her associates will:

- (a) at any time during the Term or within the 12-month period commencing from the date of the termination of the Executive Director Service Agreement in any part of the world:
 - (i) engage, employ or solicit for employment by any person, any employee, former employee, agent or former agent of any member of our Group (save and except former employees whose employment with our Group has been terminated for a period of not less than 12 months prior to their engagement by the Executive Director); or
 - (ii) be interested in any project or proposal for any person who within 12 months prior to the date of the termination of the Executive Director Service Agreement is a principal, joint venture partner, contracting party or client or a potential principal, joint venture partner, contracting party or client of our Group or an associate of any of the foregoing; or
 - (iii) be interested in any project or proposal for the acquisition, turning to account, development of or investment in:
 - (A) any business or asset in which any member of our Group was during the Term considering to acquire, turn to account, develop or invest; or
 - (B) any asset of any member of our Group, unless such asset is offered by the relevant member of our Group for sale to, turning to account or development by third parties; or
 - (iv) be engaged or interested in or concerned with any business of the manufacturing and sales of adhesives, primers, hardeners, vulcanised shoes adhesive related products used by the footwear manufacturers or any other principal businesses carried on from time to time by any member of our Group during the Term; or
- (b) at any time after the date of the termination of the Executive Director Service Agreement use for any purpose whatsoever the name or trading style of any member of our Group in Hong Kong, Macau, the PRC, Vietnam, Indonesia, Singapore or any other part of the world or represent himself/herself or themselves as carrying on or continuing or being connected with any member of our Group or (where applicable) any of its shareholders or their respective business.

Each of the Executive Directors may be entitled to a bonus in respect of each financial year of the Company in an amount to be determined by the Board of Directors of the Company in its absolute discretion.

The Service Agreement for Mr Chan Wing Yau, George and Mr Simon Luk are for a term of two years commencing from 1 January 2025, the Service Agreement for Ms Li Sin Man is for a term of two years commencing from 29 December 2024 and the Service Agreement for Mr. Tay Peng Huat is for a term of two years commencing from 25 August 2025 (collectively, the “**Independent Director Service Agreements**”). The form of the Independent Director Service Agreements are by way of letter of appointments.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

The Service Agreements contain restrictions on the disclosure of our confidential information, including trade secrets and information relating to customers of our Group. None of the Service Agreements contain any clauses whereby our Company may pay a gratuity or other retirement, superannuation, death or disability benefits to any of them or to his widow or dependants or relations or connections or to any persons or may make contributions to any fund or pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Upon termination of the Independent Director's employment under the Independent Director Service Agreement, the Independent Director is not entitled to any benefits or severance payments.

Save as disclosed above, there are no existing or proposed service agreements between our Group and any of our Directors. There are also no existing or proposed service agreements entered or to be entered into by any of our Directors with our Company or our subsidiaries which provide for benefits upon termination of employment.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Corporate governance refers to the processes and structure by which the business and affairs of a company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability. Good corporate governance therefore embodies both enterprise (performance) and accountability (conformance).

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders and will implement the good practices recommended in the Code of Corporate Governance 2018. Our Board of Directors has formed three (3) committees: (a) an Audit Committee, (b) a Nominating Committee, and (c) a Remuneration Committee.

We have seven (7) Directors on our Board of Directors, of which four (4) are Independent Directors. Our Independent Directors do not have any existing business or professional relationship with our Group, our other Directors, our Executive Officer and/or Substantial Shareholders. Our Independent Directors are also not related to our other Directors, Executive Officers and/or Substantial Shareholders.

Our Directors are of the view that given the current board composition and based on the above, there are sufficient safeguards and checks to ensure that the process of decision-making by our Board is independent and based on collective decision-making.

Audit Committee

Our Audit Committee comprises four (4) independent directors Mr Tay Peng Huat, Mr Chan Wing Yau George, Mr Simon Luk and Ms Li Sin Man. The Chairwoman of our Audit Committee is Ms Li Sin Man. The quorum shall be any two members.

In FY2025, our Audit Committee is mainly responsible for (a) maintaining the relationship with our auditor; (b) reviewing our financial information; (c) overseeing our financial reporting system, risk management and internal control systems; and (d) assessing our Group's corporate governance functions. The full version of the terms of reference of our Audit Committee is available on the Hong Kong Stock Exchange's website and our Company's website at www.infinitydevelopment.com.hk.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit Committee will provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

Our Audit Committee shall meet periodically to perform, among others, the following functions:

- (a) maintain the relationships with our internal (where an internal audit function exists) and external auditors and review, with the auditors, the audit plans, scope of work, their evaluation of our system of internal controls, audit reports, their management letters and our management's response, and the results of audits compiled by our internal and external auditors, and will review at regular intervals with the management the implementation by our Group of the internal control recommendations made by our internal and external auditors;

CORPORATE GOVERNANCE

- (b) review the periodic consolidated financial statements and any formal announcements relating to our Group's financial performance before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, going concern assumptions and any qualifications, compliance with accounting standards, compliance with the Catalist Rules, HKSE Listing Rules, and any other statutory and regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of our management, where necessary, before submission to our Board for approval;
- (c) review and report to the Board, at least annually, the adequacy and effectiveness of our Group's internal control procedures (including financial, operational, compliance) and risk management systems and have oversight of the internal control processes of our Group;
- (d) review and discuss with our internal auditors and our external auditors, any issues and concerns arising from the internal audits and our external auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on our Group's financial performance or financial position and our management's response;
- (e) review our key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;
- (f) review the co-operation given by our management to our internal and external auditors, where applicable;
- (g) review periodically, the adequacy, effectiveness, scope of the internal and external audit, independence and objectivity of the internal and external auditors as well as consider the appointment or re-appointment of the internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors;
- (h) review, publicly disclose, and clearly communicate to our employees, the procedures by which employees of our Group may, in confidence, report to the chairman of our Audit Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;
- (i) in relation to entities in jurisdictions where it is required by law to appoint a legal representative to act as a representative of such entity, review the processes and procedures in relation to the appointment and removal of the legal representatives of the subsidiaries of our Company, from time to time, to ensure their effectiveness and robustness;
- (j) oversee the Company's financial reporting system and review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of our Company and any announcements relating to our financial performance;
- (k) review and approve hedging policies and procedures;
- (l) review our Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules or the HKSE Listing Rules, including such amendments made thereto from time to time;

CORPORATE GOVERNANCE

- (m) review the whistle-blowing policy and procedures;
- (n) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (o) commission and review findings of internal investigations into matters where there is any suspected fraud or irregularity, failure of internal controls or infringement of any law, rules or regulations which has or is likely to have a material impact on our Group;
- (p) make recommendations to the Board on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation) and ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- (q) review the risk profile of our Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- (r) assess our Group's corporate governance functions;
- (s) review the adequacy of the guidelines and procedures for future potential interested person transactions;
- (t) review future potential conflicts of interest and setting out a framework to resolve or mitigate any potential conflict of interest, and monitor compliance with such framework;
- (u) review future potential transactions undertaken by our Group which falls within the scope of Chapter 10 (Significant Transactions) of the Catalist Rules;
- (v) review the scope and level of future potential responsibility of related employees and to resolve or mitigate conflicts of interests that may arise;
- (w) review the use of proceeds from the Listing;
- (x) implement a policy and procedures for sustainability reporting; and
- (y) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he/she will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Prior to the Placement, and for the purposes of the Listing, our Company had engaged an internal auditor, Baker Tilly Consultancy (Singapore) Pte. Ltd. ("**Baker Tilly**") to perform the review and test of controls of our Group's processes.

Based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews performed by our management, our Board, to the best of its knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the

CORPORATE GOVERNANCE

internal controls (including financial, operational, compliance and information technology controls) and risk management systems of our Group are adequate and effective to address financial, operational, compliance and information technology risks of our Group.

Following our Listing on Catalist, our Audit Committee will continually review and make recommendations to the Board on the effectiveness of the internal control procedures within our Group and, if necessary, we will outsource our Group's internal audit function to ensure the adequacy and sufficiency of internal control procedures within our Group.

Audit Committee's opinion on the suitability of our Financial Controller

Our Audit Committee having conducted an interview with Mr. Shum Hoi Luen ("**Mr. Shum**") and having considered:

- (a) the qualifications and past working experience of Mr. Shum (as described in the Section entitled "Directors, Executive Officers and Staff – Executive Officers" of this Offer Document) which are compatible with his position as Financial Controller of our Group;
- (b) observed his abilities, familiarity and diligence in relation to the financial matters and information of our Group;
- (c) Mr. Shum's demonstration of the requisite competency in finance-related matters of our Group in connection with the preparation for the Listing of our Company; and
- (d) the absence of negative feedback from our Independent Auditor and Reporting Accountant, RSM SG Assurance LLP, and internal auditor, Baker Tilly, that Mr. Shum is not suitable for the position of Financial Controller of our Group;

is of the opinion that Mr. Shum has the necessary expertise and experience to discharge his duties as our Financial Controller. After making all reasonable enquiries, and to the best of the knowledge and belief of our Audit Committee, nothing has come to the attention of the members of our Audit Committee to cause them to believe that Mr. Shum does not have the competence, character and integrity expected of a Financial Controller (or its equivalent rank) of a listed issuer.

The above assessment is given, including after consideration that Mr. Shum is based in Hong Kong, while the finance department is based in different offices of our Group as disclosed under the section entitled "Directors, Executive Officers and Staff – Number of Employees". Such arrangement does not affect the suitability of Mr. Shum, mainly due to the following:

- (a) Mr. Shum's location does not affect his expertise and experience to discharge his duties properly, which the Audit Committee considers to be adequately discharged in view that the Company has reported its financial results in line with the time frame required by HKSE Listing Rules;
- (b) Mr. Shum's location in Hong Kong facilitates the co-ordination of shareholders' meetings in Hong Kong; and
- (c) The finance department is based in different locations, mainly at the offices engaged in the manufacture and sale of adhesive products, to facilitate and support operational matters of the respective entity; as opposed to Mr. Shum, as the Financial Controller, who oversees company secretarial duties, corporate governance and corporate finance of our Group.

CORPORATE GOVERNANCE

Nomination Committee

Our Nomination Committee comprises Mr Simon Luk, Mr Chan Wing Yau George, Mr Tay Peng Huat, Mr Ip Ka Lun and Ms Li Sin Man. The chairman of our Nomination Committee is Mr Simon Luk. The quorum shall be two members. Where there are only two members present in any meeting of the Nomination Committee, at least one member must be an independent non-executive director.

In FY2025, our Nomination Committee is mainly responsible for (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (b) reviewing the Board Diversity Policy and the progress on achieving the objectives set for implementing the said policy; (c) identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (d) assessing the independence of the independent non-executive Directors and any proposed independent non-executive Directors; and (e) making recommendations to the Board on the appointment or re-appointment of the Directors, and succession planning for Directors in particular the chairman of the Board and the chief executive of the Company. The full version of the terms of reference of the Nomination Committee is available on the Hong Kong Stock Exchange's website and the Company's website at www.infinitydevelopment.com.hk.

Our Nomination Committee will be responsible for, among others:

- (a) reviewing the Board diversity policy ("**Board Diversity Policy**") which sets out the approach to achieve diversity within the Board, and the progress on achieving the objectives set for implementing the said policy;
- (b) identifying, reviewing and recommending the appointment of new Directors and Executive Officers and re-nomination of our Directors having regard to each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of our Group, and each Director's respective commitments outside our Group including his principal occupation and board representations on other companies, if any. Our Nomination Committee will conduct such reviews at least annually, or more frequently as it deems fit;
- (c) determining annually, and as and when circumstances require, whether or not a Director is independent, in accordance with the Code of Corporate Governance 2018;
- (d) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;
- (e) reviewing our composition of our Board of Directors to ensure such composition comprises an appropriate mix of gender, skills, experience, core competencies and knowledge of our Group that our Board requires to function competently and efficiently;
- (f) reviewing succession plans for our Executive Directors;
- (g) reviewing the training and professional development programs of our Board and ensuring that new Directors are aware of their duties and obligations;

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- (h) undertaking other functions as may be required by law or the Catalist Rules, or as recommended by the Code of Corporate Governance and by such amendments made thereto from time to time;
- (i) making recommendations to our Board on the development of a process for evaluation and performance of our Board, Audit Committee, Nomination Committee, Remuneration Committee, and for assessing the contribution of each Director of the Company to the effectiveness of the Board; and
- (j) where a Director has multiple board representations, deciding whether the Director is able and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments.

Each member of our Nomination Committee will not take part in determining his own re-nomination or independence and shall abstain from voting on any resolutions in respect of the assessment of his performance, independence, or re-nomination as Director.

Our Nomination Committee will decide how our Board's performance is to be evaluated and will propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long term Shareholders' value.

On identifying and recommending the appointment of new Directors, the Company has adopted a Director nomination policy (the "**Director Nomination Policy**") for the Nomination Committee to identify and evaluate suitable candidates for nomination to (i) the Board for appointment; or (ii) the Shareholders for election, as Directors, at general meetings.

The Director Nomination Policy sets out a number of factors in making nomination, including but not limited to the following:

- skills, experience and professional expertise which are relevant to the operations of our Group;
- diversity in respects set out in the Board Diversity Policy and in accordance with the Catalist Rules;
- commitment in respect of sufficient time and participation to discharge duties as a member of the Board and/or Board Committees;
- character, experience and integrity, and is able to demonstrate a standard of competence commensurate with the relevant position as a Director; and
- requirements of independence of the proposed independent non-executive Directors in accordance with the Catalist Rules.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

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Nomination Committee's current view of our Independent Directors

Our Nomination Committee, after having considered the following:

- (a) the number of listed company directorships held by each of our Independent Directors;
- (b) the principal occupation and commitments of our Independent Directors;
- (c) the confirmations by our Independent Directors that they are able to devote sufficient time and attention to the matters of our Group;
- (d) the confirmations by our Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any Substantial Shareholder of our Company, has no material relationship with our Company, its related corporations or with any directors of these corporations, its Substantial Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgement with a view to the best interests of our Company;
- (e) the professional experience and expertise of our Independent Directors in different areas of specialisation; and
- (f) the composition of our Board,

is of the opinion that (i) each of our Independent Directors is individually and collectively able to commit sufficient time and resources to discharge their respective duties, and are suitable and possess the relevant experience to be appointed as Independent Directors of our Company; and (ii) our Independent Directors, as a whole, represent a strong and independent element on the Board which is able to exercise objective judgement on corporate affairs independently from the Controlling Shareholders.

Our Independent Directors have confirmed that (i) they are not employed, nor have they been employed by our Company or any of our subsidiaries from 1 October 2021 up to the Latest Practicable Date; and (ii) that none of them has an immediate family member who is employed or has been employed by our Company or any of our subsidiaries from 1 October 2021 up to the Latest Practicable Date, and whose remuneration is or was determined by the Remuneration Committee.

Opinion of Nomination Committee (other than Mr. Simon Luk) on the suitability of Mr. Simon Luk to act as Director pursuant to Catalist Rule 406(3)(b)

Our Nomination Committee has considered the section entitled "General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders – Disclosures relating to Mr. Simon Luk" of this Offer Document, and is of the opinion that Mr. Simon Luk remains suitable to act as a Director of the Company, having regard to the following:

- *In relation to the investigations/disciplinary actions surrounding Link Holdings Ltd*
 - (a) Confirmation has been obtained from Mr. Simon Luk that he was not personally involved in or subjected to any investigation or disciplinary proceedings by the HKSE.

CORPORATE GOVERNANCE

- (b) The events described in the Statement of Disciplinary Action issued by the HKSE had occurred prior to Mr. Simon Luk's appointment as independent non-executive director of Link Holdings Ltd, as corroborated by the respective dates on which Mr. Simon Luk was appointed and resigned as director of Link Holdings Ltd.
- (c) There was no mention of Mr. Simon Luk in the abovementioned Statement of Disciplinary Action issued by the HKSE, as he was not involved in the events described therein.
- (d) Discreet enquiries noted no negative matters for Mr. Simon Luk, including no negative findings on Mr. Simon Luk in relation to the above matter.
- *In relation to the civil suit against Mr. Simon Luk in 2017 in the High Court of Hong Kong*
 - (a) No judgment was rendered against Mr. Simon Luk in the above proceedings.
 - (b) Based on the document index of the court file, no trial was actually held against Mr. Simon Luk.
 - (c) The matter was settled. In addition, Mr. Simon Luk confirmed that he did not compensate the plaintiffs any costs.
 - (d) Mr. Simon Luk was not found to have any civil liabilities in the action, nor had any allegation of misrepresentation been established against him.
- In addition to the above, no negative matter was reported in discreet enquires conducted. Mr. Simon Luk is also a licensed person by Securities and Futures Commission of Hong Kong and thus a fit and proper person to participate in regulated securities or asset management activities.

Opinion of Nomination Committee (excluding Mr. Tay Peng Huat) on the suitability of Mr. Tay Peng Huat to act as Director pursuant to Catalist Rule 406(3)(b)

Our Nominating Committee has considered the section entitled "General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders – Disclosures relating to Mr. Tay Peng Huat" of this Offer Document, and is of the opinion that Mr. Tay Peng Huat remains suitable to act as a Director of the Company, having regard to the following:

- In relation to the matters described in the abovementioned section of this Offer Document, confirmation has been obtained from Mr. Tay Peng Huat that he was not personally subjected to any investigation and/or disciplinary proceedings by the authorities.
- Based on discreet enquires conducted, no negative matter nor personal involvement of Mr. Tay Peng Huat has been noted in relation to the abovementioned matters.

Remuneration Committee

Our Remuneration Committee comprises Mr Chan Wing Yau George, Mr Simon Luk, Mr Tay Peng Huat and Ms Li Sin Man. The chairman of our Remuneration Committee is Mr Chan Wing Yau George. The quorum shall be two members.

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In FY2025, our Remuneration Committee is mainly responsible for (a) making recommendations to the Board on the Company's policy and the structure for all the Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; (c) determining, making recommendations to the Board, considering and approving the remuneration package of all the Directors and senior management of our Group and the compensation arrangements relating to loss or termination of office and dismissal or removal of the Directors; (d) deciding the remunerations of the Directors with independence; (e) reviewing and/or approving matters relating to share schemes under Chapter 17 of the HKSE Listing Rules; (f) advising the Shareholders on how to vote with respect to any service contracts of Directors that require Shareholders' approval under Rule 13.68 of the HKSE Rules; (g) consulting the chairman of the Board and/or the chief executive officer of the Company about their proposals relating to the remuneration of other executive Directors; and (h) ensuring proper disclosure of the Director's remuneration in the annual report of the Company in accordance with the accounting principles and the HKSE Listing Rules. The full version of the terms of reference of the Remuneration Committee is available on the Hong Kong Stock Exchange's website and the Company's website at www.infinitydevelopment.com.hk.

Our Remuneration Committee will, among others:

- (a) make recommendations to our Board on a framework of remuneration of all the Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) ensure the remuneration policies and systems of our Group, as approved by the Board, support our Group's objectives and strategies and are consistently being administered and being adhered to within our Group;
- (c) seek expert advice within and/or outside of our Group on remuneration matters, ensuring that existing relationships, if any, between our Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- (d) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (e) approve performance targets for assessing the performance of each of the Executive Officers and recommending such targets, as well as employee specific remuneration packages for each of such Executive Officers, for endorsement by the Board;
- (f) determine, make recommendations to the Board, consider and approve the remuneration package of all the Directors and senior management of our Group and the compensation arrangements relating to loss or termination of office and dismissal or removal of the Directors;
- (g) decide the remunerations of the Directors with independence;
- (h) review and/or approve matters relating to share schemes;
- (i) advise the shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval;

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- (j) consult the Chairman of the Board and CEO about his proposals relating to the remuneration of other Executive Directors;
- (k) ensure proper disclosure of the Director's remuneration in the annual report of the Company in accordance with the accounting principles and the Catalist Rules; and
- (l) undertake such other functions as may be required by law or the Catalist Rules, or as recommended by the Code of Corporate Governance and by such amendments made thereto from time to time.

The recommendations of our Remuneration Committee will be submitted for endorsement by our entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be reviewed by our Remuneration Committee.

The remuneration of employees who are related to our Directors, Chairman and CEO or Substantial shareholders will also be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Our Remuneration Committee will also review and approve any bonuses, pay increments and/or promotions for these related employees. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

BOARD PRACTICES

Our Articles of Association provides that at each annual general meeting of our Company, one-third of our Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three (3) years. However, a retiring Director shall be eligible for re-election.

A summary of selected regulations of our Articles of Association is set out in "Appendix D – Summary of Certain Provisions of the Memorandum and Articles of Association of our Company and the Cayman Islands Companies Act" of this Offer Document.

SHARE OPTION SCHEME

The share option scheme adopted by the Company on 22 July 2010 has expired on 22 July 2020, and no share option scheme has been adopted by the Company since 22 July 2020. No options granted under the previous share option scheme remained outstanding as at 30 September 2023.

INTERESTED PERSON TRANSACTIONS

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of its interested persons (namely, our Directors, CEO, Controlling Shareholders or their respective Associates) constitute interested person transactions. Details of interested person transactions of our Group for FY2022, FY2023, FY2024 and the period from 1 October 2024 to the Latest Practicable Date (the “**Relevant Period**”) are set out below.

None of our Directors, Controlling Shareholders or their respective Associates (each, an “**Interested Person**”) was or is interested in any material transaction undertaken by our Group during the Relevant Period.

In line with Chapter 9 of the Catalist Rules, a transaction of value less than S\$100,000 is not considered material in the context of the Placement and is not taken into account for the purposes of aggregation in this section.

GUIDELINES AND REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

To ensure that future transactions with interested persons are undertaken on an arm’s length basis, on normal commercial terms, not prejudicial to the interests of our Group and our minority Shareholders, and are consistent with our Group’s usual business practices and policies, which are generally no more favourable than those extended to unrelated third parties, the following procedures will be implemented by our Group.

In relation to any purchase of products or engaging any services from an interested person, quotes from at least two (2) unrelated third parties in respect of the same or substantially the same type of transactions will be used as comparison wherever possible. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) comparative prices from the two (2) unrelated third parties. The Audit Committee, or the Executive Director who is designated as an appointed approver from time to time (“**Appointed Approver**”) will take into account, including but not limited to, the suitability, quality, cost of the products or services, specifications, delivery time and the track record of the suppliers.

In relation to any sale of products or provision of any services to an interested person, the price and terms of at least two (2) other completed transactions of the same or substantially the same type of transactions to unrelated third parties are to be used as comparison wherever possible. The interested persons shall not be charged at rates lower than that charged to the unrelated third parties.

When renting properties from or to interested persons, the Audit Committee or Appointed Approver shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents, (including independent valuation report(s) by property valuer(s), where considered appropriate). The rent payable shall be based on the most competitive market rental rate of similar properties in terms of size, suitability for purpose and location, and based on the results of the relevant enquiries.

For the purposes above, where it is not possible to compare against the terms of other transactions with unrelated third parties and/or given that the products or services may be purchased only from the interested person, the Audit Committee or Appointed Approver will determine whether the price and/or the other terms offered by or to the interested person are fair

INTERESTED PERSON TRANSACTIONS

and reasonable, before approving such interested person transaction. In so determining, the Audit Committee or Appointed Approver will consider whether, including but not limited to, the price and/or other terms are in accordance with usual business practices and pricing policies to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken at an arm's length basis and on commercial terms.

We shall monitor all interested person transactions entered into by us categorising the transactions as follows:

- (a) a "Category one" interested person transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value or aggregate value thereof, as the case may be, is equal to or more than 3.0% of the latest audited NTA of our Group; and
- (b) a "Category two" interested person transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value or aggregate value thereof, as the case may be, is below 3.0% of the latest audited NTA of our Group.

In line with Chapter 9 of the Catalist Rules, a transaction of value less than S\$100,000 is not taken into account for the purposes of the above aggregation.

All "Category one" interested person transactions must be approved by our Audit Committee prior to entry. All "Category two" interested person transactions need not be approved by our Audit Committee prior to entry but must be approved by the Appointed Approver, whom shall not be an interested person in respect of the particular transaction prior to entry and shall be reviewed on a half yearly basis by the Audit Committee. In the event the interested person transaction is with the Appointed Approver, such "Category two" interested person transaction must be approved by our Audit Committee.

In the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from reviewing and approving that particular transaction. We shall prepare all the relevant information to assist the Audit Committee in its review and will keep a register recording all interested person transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

All interested person transactions shall be subject to review by our Audit Committee on a half yearly basis. Our Audit Committee will include the review of interested person transactions as part of its procedures while examining the adequacy of our internal controls.

The annual internal audit plan shall incorporate a review of all interested person transactions entered into. Such transactions will also be subject to the approval of our Shareholders if required by the Catalist Rules. We will also endeavour to comply with the recommendations set out in the Code of Corporate Governance 2018. The internal audit reports will be reviewed by our Audit Committee at least on an annual basis to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with. If during these periodic reviews, the Audit Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that interested person transactions will be on normal commercial terms, on an arm's length basis and not prejudicial to our Group's interests and the interests of our minority Shareholders, the Audit Committee will adopt such new guidelines and

INTERESTED PERSON TRANSACTIONS

review procedures for future interested person transactions as may be appropriate. The Audit Committee may request for an independent financial adviser's opinion at our Group's expense as it deems fit.

We will also comply with the provisions in Chapter 9 of the Catalist Rules in respect of all future interested person transactions, and if required under the Catalist Rules or the Singapore Companies Act, we will make immediate announcements and/or seek independent Shareholders' approval for such transactions. In particular, interested persons shall abstain from voting on resolutions approving interested person transactions involving themselves and our Group. In addition, such interested persons shall not act as proxies in relation to such resolutions unless specific instructions as to voting have been given by the Shareholders.

Our Audit Committee and our Board will also ensure that all disclosures, approvals and other requirements on interested person transactions, including those required by prevailing laws, rules and regulations, the Catalist Rules and accounting standards are complied with. Pursuant to the Catalist Rules, we will make the required disclosure in relation to our interested person transactions in our annual report during the relevant financial year under review.

POTENTIAL CONFLICTS OF INTERESTS

In general, a conflict-of-interest situation arises when any of our Directors, Controlling Shareholders or their respective Associates carries on or has any interest in any other corporation carrying on the same business or dealing in similar products or services as our Group.

None of our Directors, Controlling Shareholders or any of their respective Associates has any interest, whether direct or indirect, in:

- (a) any transactions to which our Company or any of our subsidiaries was or is a party;
- (b) any company or entity carrying on the same business or dealing in similar products or services as our Group;
- (c) any company or entity that is our customer or supplier of goods and services; and
- (d) any existing contract or arrangement which was or is significant in relation to the business of our Group.

Interests of Experts

None of the experts named in this Offer Document:

- (a) is employed on a contingent basis by our Company or our subsidiaries;
- (b) has a material interest, whether direct or indirect, in our Shares or in the shares of our subsidiaries; or
- (c) has a material economic interest, whether direct or indirect, in our Company, including having an interest in the success of the Placement.

INTERESTED PERSON TRANSACTIONS

Interests of the Sponsor and Issue Manager, and the Placement Agent

In the reasonable opinion of our Directors, the Sponsor and Issue Manager, and the Placement Agent do not have material relationships with our Company save for the following:

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

CLEARANCE AND SETTLEMENT

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of our Shares. For the purpose of trading on the SGX-ST, a board lot of our Shares will comprise 1,000 Shares. Upon listing and quotation on the SGX-ST, our Shares will be traded on the HKSE and the SGX-ST. The principal register of members will be maintained in the Cayman Islands (the **“Principal Share Register”**). Our Company has established a branch register of members in Hong Kong (the **“Hong Kong Branch Share Register”**) which is maintained by Tricor Investor Services Limited whose address is 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Further, our Company has established a branch register of members in Singapore (the **“Singapore Branch Share Register”**) which is maintained by the Singapore Branch Share Registrar and Transfer Agent, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), whose address is 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619.

CLEARANCE, TRADING AND SETTLEMENT OF SHARES ON THE SGX-ST

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the Securities Accounts maintained by such accountholders with CDP. An investor may open a direct account with CDP or a sub-account with any CDP Depository Agent. A CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

Our Shares that are traded on the SGX-ST will be scripless shares registered on the Singapore Branch Share Register in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct securities account holders and Depository Agents in the Depository Register maintained by CDP will not be treated, under the Cayman Islands Companies Act and our Articles of Association, as members of our Company in respect of the number of our Shares credited to their respective Securities Accounts with CDP. Accordingly, Depositors and Depository Agents on whose behalf CDP holds Shares for may not be accorded the full rights of membership, such as voting rights, the right to appoint proxies, or the right to receive shareholders' circulars, proxy forms, annual reports, prospectuses and takeover documents. In such an event, Depositors and Depository Agents will be accorded only such rights as CDP may make available to them pursuant to CDP's terms and conditions to act as depository for foreign securities.

Dealings in our Shares will be carried out on the SGX-ST in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades executed on the SGX-ST will take place on the second Market Day after the trade date. When a seller does not have sufficient Shares in the account for settlement by the start of the final settlement run at 1:30 pm on the second Market Day after the trade day, CDP will conduct a buy-in on that afternoon (unless the intended settlement date of the trades executed on the SGX securities market falls on a day with half day trading, buying-in will be conducted only for a day on the next business day). Securities bought in successfully will be used to fulfil the seller's delivery obligation on the next business day.

CLEARANCE AND SETTLEMENT

Shareholders are responsible for ensuring our Shares are credited into their Securities Accounts maintained with CDP or securities sub-account with a Depository Agent, as the case may be, in time for the settlement of trades on the SGX-ST, as buying-in may be instituted against the relevant clearing member of the CDP if our Shares are not available in the balance of the Securities Accounts or securities sub-accounts of Shareholders for settlement pursuant to their trades.

CLEARING FEES IN RESPECT OF TRADING ON THE SGX-ST

A clearing fee for the trading of our Shares on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fees, instruments of transfer deposit fees and share withdrawal fees may be subject to GST at the prevailing rate of nine per cent. (9%) (or such other rate prevailing from time to time).

VOTING INSTRUCTIONS

Investors who trade Shares listed on the SGX-ST would hold their Shares through the CDP system. Investors holding Shares through the CDP system may only exercise the voting rights for the deposited Shares through the CDP system and in accordance with the terms and conditions for the operation of Securities Accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time.

Under the Cayman Islands Companies Act, only persons who agree to become members of a company and whose names are entered on the register of members of such company are considered members, with rights to attend and vote at general meetings. Accordingly, CDP Depositors holding Shares through CDP are not recognised as members of our Company, and do not under the Cayman Islands Companies Act have a right to attend and to vote at general meetings of our Company. Our Company, through our Singapore Share Transfer Agent, will send notices of Shareholders' meetings to CDP Depositors by post. In the event that CDP Depositors wish to attend and vote at general meetings of our Company, CDP will have to appoint them as proxies, pursuant to our Articles of Association and the Cayman Islands Companies Act.

Our Company, through our Singapore Share Transfer Agent, will make arrangements with CDP to appoint the relevant CDP Depositors as proxies, in accordance with Article 75(a) of our Articles of Association, so that the appointed CDP Depositors can attend and vote at the general meetings of our Company. At any general meeting of our Company, CDP may appoint more than two (2) proxies in accordance with Article 75 of our Articles of Association. Pursuant to Article 81(3) of our Articles of Association, provided that CDP is a member of our Company, it may authorise such persons as it thinks fit to act as its representatives at any meeting of our Company provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under our Articles of Association shall be entitled to exercise the same rights and powers as if such person was the registered holder of the shares of our Company held by CDP (or its nominee) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands or on a poll.

CLEARANCE AND SETTLEMENT

TRADING AND SETTLEMENT OF SHARES ON THE HKSE

Settlement of transactions between CCASS Participants is required to take place in CCASS on the second Hong Kong business day after the relevant trading day. All activities under CCASS are subject to the CCASS Rules in effect from time to time. Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangements as such arrangements may affect their rights and interests.

Investors in Hong Kong (other than those holding a physical scrip of the Shares) must settle their trades executed on the HKSE through their brokers directly or through custodians. For an investor in Hong Kong who has deposited his Shares in his designated CCASS Participant's stock account maintained with CCASS, settlement will be effected by CCASS in accordance with the CCASS Rules. For an investor who holds a physical scrip of the Shares in Hong Kong, he may transact the Shares off the HKSE by executing the standard transfer forms and bought sold notes, and present the stamped standard transfer forms and bought sold notes to the Hong Kong Branch Share Registrar in Hong Kong for recording the transfer of the Shares.

TRANSACTION COSTS OF DEALING IN SHARES LISTED ON THE HKSE

The transaction costs of dealings in our Shares on the HKSE include:

- HKSE trading fee of 0.00565% of the consideration of the transaction, charged to each of the buyer and seller and rounded to the nearest cent;
- Securities and Futures Commission of Hong Kong (“**SFC**”) transaction levy of 0.0027% of the consideration of the transaction, charged to each of the buyer and seller;
- Accounting and Financial Reporting Council (“**AFRC**”) transaction levy of 0.00015% of the consideration of the transaction, charged each of the buyer and seller;
- Standard Form of Transfer stamp duty of HK\$5.00 per transfer form (if applicable), payable by the seller;
- Stamp duty at a total rate of 0.2% on the higher of the value of the transaction or the consideration, with 0.1% payable by each of the buyer and the seller;
- Brokerage commission, which is freely negotiable with the broker and the applicable stock settlement fee; and
- Transfer fee, in which the Hong Kong Branch Share Registrar and Transfer Office will charge (at the rate of HK\$2.50 per certificate issued or cancelled) the higher of (i) the number of certificates to be issued; or (ii) the number of certificates to be cancelled, for each transfer of Ordinary Shares from one (1) registered owner to another, each share certificate cancelled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong.

CLEARANCE AND SETTLEMENT

MOVEMENT OF SHARES BETWEEN HONG KONG AND SINGAPORE

Through the movement mechanisms discussed below, it is possible for investors to purchase Shares on the SGX-ST and sell them on the HKSE and vice versa. All of the linked movements between CDP and CCASS are effected only on a free-of-payment basis (that is, there is no related cash movement parallel to the securities movement, and any related cash transfers may only be effected outside CDP and CCASS directly between the buyer and seller through their own arrangements).

Investors should be aware that while there is no time difference between the Singapore and Hong Kong markets, the HKSE has shorter trading hours than the SGX-ST. The trading hours on the SGX-ST are from 9.00 a.m. to 12.00 p.m. and 1.00 p.m. to 5.00 p.m. on a Market Day, and the trading hours on the HKSE are from 9.30 a.m. to 12.00 p.m. and 1.00 p.m. to 4.00 p.m. on a trading day in Hong Kong.

Transfer of Shares from Hong Kong to Singapore

Shareholders should note that only Shares which are registered on the Singapore Branch Share Register and deposited with CDP are valid for settlement of trades done on the SGX-ST. Therefore, Shareholders who currently hold their Shares on the Hong Kong Branch Share Register and wish to trade on the SGX-ST must effect a removal of our Shares from the Hong Kong Branch Share Register to the Singapore Branch Share Register and must procure the deposit of our Shares with CDP. In this regard, the investor should ensure that (i) he has a Securities Account in his own name with CDP or a securities sub-account with a Depository Agent; and (ii) our Shares are credited to his Securities Account or securities sub-account before dealing in our Shares.

Under normal circumstances, the removal and deposit of our Shares generally require 15 business days to complete (excluding posting time, and the time taken to withdraw Shares deposited with CCASS in Step 2 below), and would involve the following procedures:

1. If the investor's Shares are registered in the investor's own name, the investor shall complete a combined removal and transfer form available from the Hong Kong Branch Share Registrar and submit the same together with the same share certificate(s) in his name to the Hong Kong Branch Share Registrar.
2. If the investor's Shares have been deposited with CCASS, the investor must first withdraw the said Shares from his investor participant stock account with CCASS or from the stock account of a CCASS Participant and submit the relevant share transfer form(s) executed by HKSCC Nominees Limited (for re-registration in his own name), the relevant share certificate(s) and a duly completed combined removal and transfer form to the Hong Kong Branch Share Registrar. The investor must also arrange for stamp duty payment and clearance on the transfer documents with the Hong Kong Stamp Office.
3. Upon receipt of the combined removal and transfer form, the relevant share certificate(s) and where appropriate, the completed share transfer form(s) executed by HKSCC Nominees Limited, the Hong Kong Branch Share Registrar shall take all actions necessary to effect the removal and the transfer of our Shares from the Hong Kong Branch Share Register to the Singapore Branch Share Register.

CLEARANCE AND SETTLEMENT

4. The Hong Kong Branch Share Registrar shall then notify the Singapore Share Transfer Agent of the removal whereupon the Singapore Share Transfer Agent will update the Singapore Branch Share Register, and will issue share certificate(s) in the name of the investor or CDP, as the case may be, and deliver the share certificate(s) to the investor or CDP. Upon receipt of the relevant documents and prescribed payment from the Singapore Share Transfer Agent, CDP shall credit the specified number of Shares into the investor's Securities Account or sub-account with a CDP Depository Agent. The investor should ensure that our Shares are credited to his Securities Account or sub-account with a CDP Depository Agent before dealing in our Shares.

Shareholders requesting removals of Shares from the Hong Kong Branch Share Register to the Singapore Branch Share Register are required to pay the fees and charges set out below and the following must accompany the removal forms:

- (a) a cheque or bank draft in Hong Kong dollars made payable to **Tricor Investor Services Ltd** for: (i) the total sum of the removal fees (HK\$350) for our Shares to be removed from the Hong Kong Branch Share Register (the "**Removed Shares**") and HK\$2.50 for each share certificate rendered for cancellation on the Hong Kong Branch Share Register (under Standard Service); or (ii) the total sum of the higher of 0.05% of market value (based on the closing price of our Company's Shares in Hong Kong on the preceding day when Hong Kong Branch Share Registrar receives instructions from the Shareholder) with a minimum charge of HK\$1,000 and HK\$20.00 for each share certificate rendered for cancellation on the Hong Kong Branch Share Register (under Express Service). The availability of the Express Service is subject to the discretion of the Hong Kong Branch Share Registrar. Please refer to the latest combined removal and transfer form or contact the Hong Kong Branch Share Registrar for the latest fees and charges; and
- (b) bank drafts in Singapore Dollars (inclusive of Singapore prevailing nine per cent. (9%) (or such other rate prevailing from time to time)) made payable to:
 - (i) **Tricor Barbinder Share Registration Services** for the sum of removal fees of S\$53.60 (inclusive of Singapore prevailing nine per cent. (9%) GST) as payment for CDP deposit fee or such other amount required by CDP for each removal to be affected; and
 - (ii) **Tricor Barbinder Share Registration Services** for the sum of S\$2.18 (inclusive of Singapore prevailing nine per cent. (9%) GST) for each share certificate to be issued on the Singapore Branch Share Register for each removal to be effected.

Transfer of Shares from Singapore to Hong Kong

Shareholders should note that for the purposes of trading on the HKSE, our Shares must be registered on the Hong Kong Branch Share Register and deposited into CCASS for credit to the Shareholder's investor participant stock account or his designated CCASS Participant's stock account. A Shareholder who holds his Shares through CDP and wishes to move his Shares from CDP to CCASS must effect a removal of our Shares from the Singapore Branch Share Register to the Hong Kong Branch Share Register, and can do so in the following manner:

1. If the investor's Shares have been deposited with CDP, the investor must first request or instruct his Depository Agent to request on his behalf withdrawal of his Shares from CDP by completing and signing a Request for Withdrawal of Securities Form ("**Withdrawal Form**") available from CDP and submitting the same together with the duly completed transfer form pre-signed by the investor(s) as transferee(s) to CDP.

CLEARANCE AND SETTLEMENT

2. The investor shall complete a share removal form for the removal of Shares from the Singapore Branch Share Register to the Hong Kong Branch Share Register obtained from the Singapore Share Transfer Agent and submit the share removal form to the Singapore Share Transfer Agent.
3. CDP will sign as transferor and send the duly completed transfer form together with share certificate(s) registered under the name of CDP to the Singapore Share Transfer Agent directly.
4. Upon receipt of the duly completed transfer form and share certificate(s) from CDP and the share removal form from the investor, the Singapore Share Transfer Agent shall take all actions necessary to effect the transfer and removal of Shares from the Singapore Branch Share Register.
5. The Singapore Share Transfer Agent shall then notify the Hong Kong Branch Share Registrar of the removal whereupon the Hong Kong Branch Share Registrar shall update the Hong Kong Branch Share Register and issue share certificate(s) in the name of the investor and make such share certificate(s) available for collection by the investor(s) at the Hong Kong Branch Share Registrar's office unless other delivery method is requested upon submission of the share removal form and relevant fees will be separately agreed. Despatch of share certificate(s) will be made at the risk and expense of the investor as specified in the share removal form.
6. If the investor's Shares, upon being registered in the Hong Kong Branch Share Register, are to be deposited with CCASS, the investor must deposit our Shares into CCASS for credit to his investor participant stock account or his designated CCASS Participant's stock account. For deposit of Shares into CCASS or to effect a sale of Shares in Hong Kong, the investor should execute a transfer form which is in use in Hong Kong and which can be obtained from the offices of the Hong Kong Branch Share Registrar and deliver it together with his share certificate(s) issued by the Hong Kong Branch Share Registrar to HKSCC Nominees Limited directly if he intends to deposit our Shares into CCASS for credit to his investor participant stock account or via a CCASS Participant if he wants our Shares to be credited to his designated CCASS Participant's stock account.

Under normal circumstances, steps 2 to 5 generally require 15 business days (excluding posting time) to complete. The time taken to deposit Shares into CCASS in Step 6 above may vary, depending on whether the investor arranges for the deposit of his Shares into CCASS directly, or via a CCASS Participant, and may take at least one (1) Hong Kong business day or more.

Shareholders requesting removals of Shares from the Singapore Branch Share Register to the Hong Kong Branch Share Register are required to pay the fees and charges set out below and item (a) must accompany the relevant form:

- (a) Bank draft in Singapore Dollars (inclusive of Singapore prevailing nine per cent. (9%) GST (or such other rate prevailing from time to time)) made payable to:
 - (i) **The Central Depository (Private) Limited** for the sum of:
 1. S\$10.90 (inclusive of Singapore prevailing nine per cent. (9%) GST) as payment for withdrawal request fee for shares quantity 1,000 and less;

CLEARANCE AND SETTLEMENT

2. S\$27.25 (inclusive of Singapore prevailing nine per cent. (9%) GST) as payment for withdrawal request fee for shares quantity more than 1,000;
 3. S\$2.18 (inclusive of Singapore prevailing nine per cent. (9%) GST) as payment for transfer fee per certificate;
- (ii) **Tricor Barbinder Share Registration Services** for the sum of removal fees of S\$34.88 (inclusive of Singapore prevailing nine per cent. (9%) GST) for each removal and transfer to be effected; and
- (iii) (this fee is payable upon collection of the share certificate(s) in respect of the Shares to be issued from the Hong Kong Branch Share Registrar) a cheque or bank draft in Hong Kong Dollars made payable to Tricor Investor Services Ltd for: (i) the total sum of the issuance fees (HK\$25) for the Shares and HK\$2.50 for each share certificate issued on the Hong Kong Branch Share Register (under Standard Service) or (ii) the total sum of the higher of 0.05% of market value (based on the closing price of our Company's Shares in Hong Kong on the preceding day when the Hong Kong Branch Share Registrar receives instructions from the Singapore Share Transfer Agent) or HK\$20.00 for each share certificate issued on the Hong Kong Share Register (under Express Service). The exact fee to be paid under Express Service will be calculated and advised by the Hong Kong Branch Share Registrar. The availability of the Express Service is subject to the discretion of the Hong Kong Branch Share Registrar and is not available during peak operation seasons of the Hong Kong Branch Share Registrar. Please refer to the share removal form for the latest fees and charges.

WITHDRAWAL OR DEPOSIT OF SHARES FROM OR INTO CDP

Persons holding Shares in a Securities Account with CDP or securities sub-account with a depository agent may withdraw any number of Shares they own and obtain physical share certificates by executing a Withdrawal Form and submitting the same, together with the Transfer Form pre-signed by the investor(s) as transferee(s) and the withdrawal fee, to CDP. CDP will then sign as transferor and send the duly completed and signed Transfer Form together with share certificate(s) registered under the name of CDP to the Singapore Share Transfer Agent as agent of the Singapore Branch Share Register. Upon receipt of the above documents, the Singapore Share Transfer Agent will effect the transfer of Shares from CDP to the investor(s) and issue physical Singapore share certificates in the name of the investor. Such share certificates will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with the Memorandum and Articles of Association.

Persons holding physical share certificates in their own names and who wish to trade on the SGX-ST must submit to CDP their physical share certificates together with the Request for Deposit of Securities Form for the Deposition of Shares into CDP, along with the duly executed Transfer Form in favour of CDP as transferee, to have their respective Securities Accounts or securities sub-accounts credited with the number of Shares before they can effect any trades.

CLEARANCE AND SETTLEMENT

In the absence of unforeseen circumstances, (i) in the case of a deposit of securities into CDP, CDP will credit the securities 12 Market Days or later after the date of lodgement of share certificate(s) with CDP and upon receipt of confirmation from the Singapore Share Transfer Agent that the securities have been registered in the name of CDP or its nominee (as the case may be), and (ii) in the case of a withdrawal of securities from CDP, CDP will debit the securities and lodge with the Singapore Share Transfer Agent the certificates from the securities withdrawn within six Market Days from the date of receipt of the Withdrawal Form to affect the registration of the securities to the transferee.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

Save as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders:

- (a) has at any time during the last ten (10) years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time when he or she was a partner or at any time within two (2) years after the date he or she ceased to be a partner;
- (b) has at any time during the last ten (10) years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or a key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity, or at any time within two (2) years after the date he or she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) has any unsatisfied judgement against him or her;
- (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such purpose;
- (e) has been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including pending criminal proceedings of which he or she is aware) for such breach;
- (f) at any time during the last 10 years, had judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his or her part, or been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;
- (g) has been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) has been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) has been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;

GENERAL AND STATUTORY INFORMATION

- (j) has ever, to his or her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,
- in connection with any matter occurring or arising during the period when he or she was so concerned with the entity or business trust; or
- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

Disclosures relating to Mr. Simon Luk

Mr. Simon Luk was appointed as independent non-executive director of Link Holdings Ltd (“**Link Holdings**”), listed on the Hong Kong Stock Exchange (Stock Code: 8237), on 12 November 2021 and resigned on 14 July 2023.

On 16 May 2024, the Stock Exchange of Hong Kong Limited (“**HKSE**”) issued a Statement of Disciplinary Action (“**SoDA**”) (i) censuring Link Holdings; (ii) imposing a Prejudice to Investors’ Interests Statement on two former Executive Directors, namely Mr Ngan Iek (“**Mr Ngan**”) and Datuk Siew Pek Tho (“**Datuk Siew**”) (Mr Ngan and Datuk Siew, collectively, the “**Former EDs**”); and (iii) directing an independent review of Link Holdings’ internal controls for compliance with the HKSE’s Growth Enterprise Market (“**GEM**”) Listing Rules.

The actions taken by HKSE in the paragraph above were brought about by the following events as described in the SoDA:

- (a) Link Holdings had raised funds of approximately HK\$25 million (“**Funds**”) by way of issuance of new convertible bonds on 21 June 2020 (“**New Bonds**”). Based on Link Holdings’ announcement, the Funds were raised for the purpose of repaying certain old bonds (“**Old Bonds**”) which were to mature on 30 November 2020.
- (b) However, approximately HK\$20 million of the Funds was used to repay certain shareholder loans advanced by Mr Ngan to the Link Holdings group instead. As a result, Link Holdings did not have sufficient funds to redeem the Old Bonds on their maturity, and the Company defaulted on the Old Bonds (the “**Default**”).
- (c) The Former EDs kept the repayments as well as the Default to themselves. The Former EDs did not procure Link Holdings to make any announcement on the Default or the change in the use of the Funds.

GENERAL AND STATUTORY INFORMATION

- (d) While there was no disclosure about the change in use of the Funds and little disclosure regarding the Default in the 2020 Annual Report, the other directors of Link Holdings, procured Link Holdings to announce the change of use in the Funds and the Default on 12 April 2021.

As a result of the matters stated above, Link Holdings was found to have breached GEM Listing Rules 17.21, 18.07 and 18.32(8)(c). Mr Ngan and Datuk Siew were found to have breached GEM Listing Rule 5.01 and their director's undertaking to HKSE under the GEM Listing Rules, and to have failed to discharge their directors' duties. Datuk Siew was also found to have breached GEM Listing Rule 5.20 as the compliance officer of Link Holdings.

The events as described in the SoDA occurred before Mr Simon Luk's appointment as Independent Non-Executive Director on 12 November 2021. While investigations in relation to those matters may have been ongoing during the time that Mr. Simon Luk held the position of independent non-executive director of Link Holdings, he was not personally involved in or subjected to any investigation or disciplinary proceedings by the HKSE.

Additionally, there was a civil suit filed against Mr. Simon Luk in 2017 (amongst other defendants) in the High Court of Hong Kong, and these proceedings have since been discontinued against Mr. Simon Luk. The claim against other defendants and Mr. Luk was for alleged misrepresentation, for which there was no trial conducted against Mr. Luk and therefore no fact-finding exercise conducted by the Court to consider the credibility of the evidence of the parties.

Disclosures relating to Mr. Tay Peng Huat

- (a) Sometime between 1996 and 1999, the Inland Revenue Authority of Singapore ("**IRAS**") performed a GST audit of Electronic Resources Limited ("**ERL**"). Mr. Tay served as ERL's Group Financial Controller at that point in time. ERL was fined a small sum for non-compliance with the GST rules. The fine was paid and there were no further developments in this matter.
- (b) Sometime between 1996 and 2000, the Commercial Affairs Division of the Singapore Police Force ("**CAD**") conducted insider trading investigations on one of ERL's employees. As the Group Financial Controller of ERL at that point in time, Mr. Tay was assigned by ERL to provide information to CAD. Mr. Tay assisted with CAD's investigation and was interviewed as the employee under investigation reported directly to him. Mr. Tay was not the subject of the investigations.
- (c) Sometime in August 2020, the Urban Redevelopment Authority of Singapore ("**URA**") directed Jumbo Group of Restaurants Pte Ltd ("**JGR**") to pay a fine of S\$1,000 and to cease all dine-in services at Zui Yu Xuan Teochew Cuisine with effect from 28 August 2020 to 6 September 2020 for a breach of safe distancing measures at the premises. At the time, Mr. Tay was a director of the JGR. JGR complied with the fine and suspension imposed by URA and there were no further developments in this matter.
- (d) Sometime in 2012, the MAS sought information from Beyonics Technology Limited ("**BTL**"), a company which was previously listed on the Main Board of the SGX-ST, pertaining to its delisting from the SGX-ST. As the Chief Financial Officer ("**CFO**") of BTL at that point in time, Mr. Tay was assigned by BTL to provide documents to MAS to assist with MAS' investigations. Mr. Tay was not the subject of the investigations.

GENERAL AND STATUTORY INFORMATION

- (e) Sometime in 2016, Mr. Tay was interviewed by the Corrupt Practices Investigation Bureau of Singapore (“CPIB”) in its investigations of the ex-chief executive officer of BTL. Mr. Tay assisted with CPIB’s investigations and was interviewed as Mr. Tay was the ex-CFO of BTL. Mr. Tay was not the subject of the investigations.

CHANGES IN SHARE CAPITAL

1. Save as disclosed in the section entitled “Share Capital” of this Offer Document, there are no changes in the issued and paid-up capital of our Company and our Subsidiaries within the three (3) years preceding the Latest Practicable Date.
2. Save as disclosed in the section entitled “Share Capital” of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid for cash or for a consideration other than cash, during the three (3) years preceding the date of this Offer Document.
3. No option to subscribe for Shares in, or debentures of, our Company or any of our subsidiaries has been granted to, or was exercised by, any Director or Executive Officer within the last two (2) years preceding the date of this Offer Document.
4. As at the Latest Practicable Date, no person has been or is entitled to be, given an option to subscribe for any shares in or debentures of our Company or any of our subsidiaries.

MATERIAL CONTRACTS

5. Save for contracts entered into in the ordinary course of business, there have been no contracts entered into by our Company and our subsidiaries within the two (2) years preceding the date of lodgement of this Offer Document which are or may be material.

MATERIAL LITIGATION

6. As at the Latest Practicable Date, our Group was not engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had during the last 12 months before the date of lodgement of this Offer Document, a material effect on our Group’s financial position or profitability.

MEMORANDUM AND ARTICLES OF ASSOCIATION

7. The nature of our Company’s business has been stated earlier in this Offer Document. Paragraph 3 of our Memorandum states that subject to the provisions of our Memorandum, the objects for which the Company is established are unrestricted.
8. A summary of selected regulations of our Articles of Association relating to, among others, Directors’ powers to vote on contracts in which they are interested, Directors’ powers to vote on their remuneration, Directors’ borrowing powers, Directors’ retirement, Directors’ share qualification, rights pertaining to shares, and alteration of capital are set out in “Appendix D – Summary of Certain Provisions of the Memorandum and Articles of Association of our Company and the Cayman Islands Companies Act” of this Offer Document. Our Memorandum and Articles of Association are available for inspection at the place of inspection identified in the section entitled “General and Statutory Information – Documents Available for Inspection” of this Offer Document.

GENERAL AND STATUTORY INFORMATION

MISCELLANEOUS

9. There has been no previous issue of Shares by our Company within the two (2) years preceding the date of this Offer Document.
10. There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between the date of incorporation of our Company and the Latest Practicable Date.
11. No Director or expert has an interest, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the Latest Practicable Date, been acquired or disposed of by or leased to our Company or our subsidiaries or are proposed to be acquired or disposed of by or leased to our Company or our subsidiaries.
12. No commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe for and/or purchase or procuring or agreeing to procure subscriptions for and/or purchases of any shares in, or debentures of, our Company or any of our subsidiaries.
13. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
14. Save as disclosed in the sections entitled “Risk Factors”, “Capitalisation and Indebtedness”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “General Information on our Group” of this Offer Document, our Directors are not aware of any event which has occurred between 31 March 2025 and the Latest Practicable Date which may have a material effect on the results of operations and financial position of our Group or the financial information provided in this Offer Document.
15. Save as disclosed in the sections entitled “Risk Factors”, “Capitalisation and Indebtedness”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “General Information on our Group” of this Offer Document, the results of operations and financial position of our Group are not likely to be affected by any of the following:
 - (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that may materially affect the amount of reported income from our operations; and
 - (d) known uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on our revenues or operating income.

GENERAL AND STATUTORY INFORMATION

16. Details, including the name, address and professional qualifications including membership in a professional body of the auditors of our Company for the Period Under Review are as follows:

Name and address	Membership in Professional body
RSM Hong Kong 29th Floor, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong	Certified Public Accountants (Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance)

RSM SG Assurance LLP and RSM Hong Kong shall be appointed as the joint auditors of the Company upon Listing. We currently have no intention of changing the auditors of the companies in our Group after our Listing.

CONSENTS

17. RSM SG Assurance LLP, the Independent Auditor and Reporting Accountant, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, its confirmation(s), and/or opinion(s) as set out in the section entitled “Corporate Governance – Audit Committee” of this Offer Document and the “Independent Auditor’s Report and the Audited Consolidated Financial Statements for the Financial Years ended 30 September 2022, 2023 and 2024” as reproduced in Appendix A and “Independent Auditor’s Review Report and the Unaudited Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 31 March 2025” as reproduced in Appendix B of this Offer Document in the form and context in which they are included and all references to its name in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
18. Xandar Capital Pte. Ltd., the Sponsor and Issue Manager, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, its opinion as set out in the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position – Liquidity and Capital Resources” of this Offer Document, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
19. KGI Securities (Singapore) Pte. Ltd., the Placement Agent, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
20. Dentons Rodyk & Davidson LLP, the Solicitors to the Placement and Legal Advisers to our Company on Singapore Law, has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
21. Bird & Bird ATMD LLP, the Legal Advisers to the Sponsor and Issue Manager, and the Placement Agent on Singapore Law, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.

GENERAL AND STATUTORY INFORMATION

22. Michael Li & Co. (in association with CLKW Lawyers LLP), the Legal Advisers to our Company on Hong Kong Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
23. Jingtian & Gongcheng, the Legal Advisers to our Company on PRC Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, its advice, view(s), and confirmation(s) as set out in the section entitled “Risk Factors – Risks Relating to our Industry and Business – The relevant competent authorities in the PRC may require us to pay additional social insurance fees or housing provident fund contributions or impose late payment penalties on us” and “Government Regulations – PRC Laws and Regulations – Regulations relating to Overseas Securities Offering and Listing by Domestic Companies” of this Offer Document, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
24. ABNR Counsellors at Law, the Legal Advisers to our Company on Indonesian Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, its advice as set out in the section entitled “General Information on our Group – Material Licences, Permits, Registrations and Approvals”, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
25. Rato, Ling, Lei & Cortés – Advogados (Lektou), the Legal Advisers to our Company on Macau Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
26. Vision & Associates Legal, the Legal Advisers to our Company on Vietnam Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, its advice as set out in the section entitled “Risks relating to Vietnam – Risks in relation to the appointment of the legal representatives of Vietnamese subsidiaries” of this Offer Document, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
27. Chen & Lin Attorneys-at-Law, the Legal Advisers to our Company on Taiwan Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
28. Conyers Dill & Pearman Pte. Ltd., the Legal Advisers to our Company on Cayman Islands Law and British Virgin Islands Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.

GENERAL AND STATUTORY INFORMATION

29. JSA Advocates & Solicitors, the Legal Advisers to our Company on India Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
30. Doulah & Doulah, the Legal Advisers to our Company on Bangladesh Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
31. Rajah & Tann Sok & Heng Law Office, the Legal Advisers to our Company on Cambodia Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
32. Christopher & Lee Ong, the Legal Advisers to our Company on Malaysia Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
33. Converging Knowledge Pte Ltd, the Industry Consultant, a specialist research and strategy consulting firm, has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the information extracted from the Industry Report set out in the section entitled “General Information on our Group – Prospects” and the Industry Report as set out in “Appendix F – Industry Report” of this Offer Document in the form and context in which they are included in this Offer Document and its name and all references thereto in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
- 33A. Baker Tilly Consultancy (Singapore) Pte. Ltd., internal auditor to the Company, has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.

DOCUMENTS AVAILABLE FOR INSPECTION

34. Copies of the following documents may be inspected at the registered office of our Singapore subsidiary, 456 Alexandra Road, #04-03, Fragrance Empire Building, Singapore 119962 during normal business hours for a period of six (6) months from the date of registration by the SGX-ST acting as agent on behalf of the Authority, of this Offer Document:
 - (i) our Memorandum and Articles of Association;
 - (ii) the Industry Report as set out in Appendix F of this Offer Document;
 - (iii) the letters of consent referred to in this Offer Document;
 - (iv) the Service Agreements;

GENERAL AND STATUTORY INFORMATION

- (v) the “Appendix A – Independent Auditor’s Report and the Audited Consolidated Financial Statements for the Financial Years ended 30 September 2022, 2023 and 2024” of this Offer Document;
- (vi) the “Appendix B – Independent Auditor’s Review Report and the Unaudited Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 31 March 2025” of this Offer Document; and
- (vii) the audited financial statements of our subsidiaries for FY2022, FY2023 and FY2024.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

35. This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED

Statement by Directors and consolidated financial statements

Financial years ended 30 September 2022, 2023 and 2024

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

Statement by Directors

The Directors of Infinity Development Holdings Company Limited (the “Company”) are pleased to present the consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the financial years ended 30 September 2022, 2023 and 2024.

In the opinion of the Directors,

- (a) the accompanying consolidated financial statements are properly drawn up in accordance with IFRS Accounting Standards so as to give a true and fair view of the consolidated financial position of the Group as at 30 September 2022, 2023 and 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for each of the financial years ended 30 September 2022, 2023 and 2024; and
- (b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

.....
Ip Ka Lun
Director

.....
Stephen Graham Prince
Director

21 November 2025

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

**INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

The Board of Directors
Infinity Development Holdings Company Limited
Units 2201-2202, 22/F,
Alliance Building,
133 Connaught Road Central,
Hong Kong.

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Infinity Development Holdings Company Limited (the “Company”) and its subsidiaries (collectively, the “Group”) set out on pages A-6 to A-76, which comprise the consolidated statements of financial position of the Group as at 30 September 2022, 2023 and 2024, the consolidated statements of profit or loss and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the financial years ended 30 September 2022, 2023 and 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with the IFRS Accounting Standards (“IFRSs”) so as to give a true and fair view of the consolidated financial position of the Group as at 30 September 2022, 2023 and 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for each of the financial years ended 30 September 2022, 2023 and 2024.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

Key Audit Matters (cont’d)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment assessment of trade and bills receivables</i></p> <p>Refer to notes 4(l), 5(d), 6(c) and 26 to the consolidated financial statements.</p> <p>As at 30 September 2022, 2023 and 2024, the Group had gross trade and bills receivables of approximately HK\$272,250,000, HK\$179,809,000, HK\$232,899,000 and allowances for doubtful debts of approximately HK\$17,814,000, HK\$17,814,000, HK\$22,814,000 respectively.</p> <p>In general, the credit terms granted by the Group to customers range between 30 days to 120 days. With the assistance of an independent qualified external valuer, management performed periodic assessments of the recoverability of trade and bills receivables and the sufficiency of allowances for doubtful debts based on information including credit profile of different customers, ageing of the trade debtors, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers’ ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment.</p> <p>We focused on this area because the impairment assessment of trade and bills receivables under the expected credit losses model involved the use of significant management judgements and estimates.</p>	<p>Our procedures in relation to management’s impairment assessment of trade and bills receivables included:</p> <ul style="list-style-type: none"> – Understanding and evaluating management’s controls and process over customer’s credit assessment and collection of trade and bills receivables, the assessment of recoverability and the estimation of allowance for trade and bills receivables; – Assessing inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, and susceptibility to management bias or fraud; – Assessing whether trade and bills receivables had been appropriately grouped by management based on their shared credit risk characteristics; – Assessing the external valuer’s qualifications, experience and expertise and considering their objectivity; – Testing the accuracy and completeness of the data used by external valuer to develop the historical loss rates and assessing the appropriateness, reliability and relevance of that data; – Testing, on a sample basis, the accuracy of the ageing of trade and bills receivables to supporting documents; – With the assistance of our internal valuation experts, testing the calculation of the historical loss rate and evaluating the reasonableness of the forward-looking adjustments made to reflect current and forecast future economic conditions; and – Testing the calculation of expected credit loss provisions applying the provision rates to the age categories of the trade and bills receivables outstanding at the reporting date.

APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 SEPTEMBER 2022, 2023 AND 2024

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

Responsibilities of management and Directors for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors’ responsibilities include overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

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

- (e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Restriction on distribution and use

This report is made solely for inclusion in the Offer Document of the Company to be issued in relation to the proposed offering of the shares of Infinity Development Holdings Company Limited on the Catalist of the Singapore Exchange Securities Trading Limited and not for other purposes.

RSM SG Assurance LLP
Public Accountants and Chartered Accountants
Singapore

Partner-in-charge: Tan Wei Ling
21 November 2025

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

**Consolidated Statement of Profit or Loss
For the Years Ended 30 September 2022, 2023 and 2024**

	<u>Notes</u>	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Revenue	8	862,101	671,750	736,338
Cost of sales		<u>(638,921)</u>	<u>(462,644)</u>	<u>(458,898)</u>
Gross profit		223,180	209,106	277,440
Other income	9	4,529	8,568	12,758
Gain on disposal of assets classified as held for sale	24	32,692	840	–
Changes in fair value of investment properties	18	(600)	–	(800)
Other gains and losses, net (Allowances)/reversal of allowances for trade, bills and other receivables, net	10	2,817	(109)	(4,777)
Selling and distribution costs		(7,970)	1,756	(5,000)
Administrative expenses		(51,831)	(51,521)	(52,282)
Profit from operations		<u>(92,546)</u>	<u>(87,143)</u>	<u>(103,667)</u>
Finance costs	11	110,271	81,497	123,672
Share of profits of associates	22	(825)	(2,908)	(2,587)
Profit before tax		<u>1,384</u>	<u>2,459</u>	<u>731</u>
Income tax expense	12	110,830	81,048	121,816
Profit for the year attributable to owners of the Company	13	<u>(9,480)</u>	<u>(13,994)</u>	<u>(21,405)</u>
Earnings per share	17	HK cents	HK cents	HK cents
– Basic		36.0	23.8	35.6
– Diluted		Not applicable	Not applicable	Not applicable

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Years Ended 30 September 2022, 2023 and 2024**

	<u>Notes</u>	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Profit for the year attributable to owners of the Company	13	101,350	67,054	100,411
Other comprehensive (loss) / income				
<i>Items that will not be reclassified to profit or loss</i>				
Fair value changes of equity instruments at fair value through other comprehensive income (“FVTOCI”)		(1,199)	291	698
<i>Items that may be reclassified to profit or loss</i>				
Fair value changes of debt instruments at FVTOCI		(651)	563	–
Reclassification adjustment for amount transferred to profit or loss upon disposal of debt instruments at FVTOCI		–	–	83
Exchange differences on translating foreign operations		(14,283)	(4,025)	12,329
		<u>(14,934)</u>	<u>(3,462)</u>	<u>12,412</u>
Other comprehensive (loss) / income for the year, net of tax		<u>(16,133)</u>	<u>(3,171)</u>	<u>13,110</u>
Total comprehensive income for the year attributable to owners of the Company		<u>85,217</u>	<u>63,883</u>	<u>113,521</u>

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

**Consolidated Statement of Financial Position
As at 30 September 2022, 2023 and 2024**

	<u>Notes</u>	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
ASSETS				
<u>Non-current assets</u>				
Investment properties	18	3,800	3,800	3,000
Property, plant and equipment	19	82,575	73,889	84,300
Right-of-use assets	20	14,181	37,872	39,421
Intangible assets	21	1,790	6,262	5,632
Investments in associates	22	6,126	8,540	9,271
Club debentures		1,080	1,080	1,080
Financial assets at FVTOCI	23	3,693	4,547	2,777
Prepayment for acquisition of right-of-use assets		25,519	–	–
Deposits for acquisition of property, plant and equipment	19A	614	8,811	30,876
Total non-current assets		<u>139,378</u>	<u>144,801</u>	<u>176,357</u>
<u>Current assets</u>				
Assets classified as held for sale	24	–	–	–
Inventories	25	128,239	49,853	71,459
Trade, bills and other receivables	26	278,684	178,098	218,323
Debt instruments at amortised costs	27	–	7,102	10,023
Restricted bank deposits	28	16,083	18,749	21,382
Bank and cash balances	28	135,238	346,392	321,885
Total current assets		<u>558,244</u>	<u>600,194</u>	<u>643,072</u>
Total assets		<u>697,622</u>	<u>744,995</u>	<u>819,429</u>
LIABILITIES				
<u>Non-current liabilities</u>				
Deferred tax liabilities	32	5,731	6,061	8,002
Lease liabilities	30	3,395	1,311	2,732
Total non-current liabilities		<u>9,126</u>	<u>7,372</u>	<u>10,734</u>
<u>Current liabilities</u>				
Income tax payable		28,615	28,071	32,370
Bank loans	31	30,000	85,000	39,000
Lease liabilities	30	3,256	2,947	1,739
Trade, bills and other payables	29	139,344	108,185	152,023
Total current liabilities		<u>201,215</u>	<u>224,203</u>	<u>225,132</u>
Total liabilities		<u>210,341</u>	<u>231,575</u>	<u>235,866</u>
Net current assets		<u>357,029</u>	<u>375,991</u>	<u>417,940</u>
Net assets		<u>487,281</u>	<u>513,420</u>	<u>583,563</u>

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

**Consolidated Statement of Financial Position (cont’d)
As at 30 September 2022, 2023 and 2024**

	<u>Notes</u>	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
EQUITY				
Share capital	33	5,634	5,634	5,634
Share premium		123,757	123,757	123,757
Retained earnings		385,690	415,000	472,033
Other reserves	34	<u>(27,800)</u>	<u>(30,971)</u>	<u>(17,861)</u>
Total equity		<u>487,281</u>	<u>513,420</u>	<u>583,563</u>

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 30 SEPTEMBER 2022, 2023 AND 2024**

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

**Consolidated Statement of Changes in Equity
For the Years Ended 30 September 2022, 2023 and 2024**

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Special reserve HK\$'000	Revaluation reserve HK\$'000	Foreign currency translation reserve HK\$'000	Legal reserve HK\$'000	Statutory surplus reserve fund HK\$'000	Financial assets at FVTOCI reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
2022:											
At 1 October 2021	5,634	123,757	857	1,097	3,000	(16,938)	503	2,814	–	307,818	428,542
Changes in equity:											
Profit for the year	–	–	–	–	–	–	–	–	–	101,350	101,350
Other comprehensive loss for the year	–	–	–	–	–	(14,283)	–	–	(1,850)	–	(16,133)
Total comprehensive (loss) / income for the year	–	–	–	–	–	(14,283)	–	–	(1,850)	101,350	85,217
Transfer upon disposal	–	–	–	–	(3,000)	–	–	–	–	3,000	–
Dividends (note 16)	–	–	–	–	–	–	–	–	–	(26,478)	(26,478)
At 30 September 2022	5,634	123,757	857	1,097	–	(31,221)	503	2,814	(1,850)	385,690	487,281
2023:											
At 1 October 2022	5,634	123,757	857	1,097	–	(31,221)	503	2,814	(1,850)	385,690	487,281
Changes in equity:											
Profit for the year	–	–	–	–	–	–	–	–	–	67,054	67,054
Other comprehensive (loss) / income for the year	–	–	–	–	–	(4,025)	–	–	854	–	(3,171)
Total comprehensive (loss) / income for the year	–	–	–	–	–	(4,025)	–	–	854	67,054	63,883
Dividends (note 16)	–	–	–	–	–	–	–	–	–	(37,744)	(37,744)
At 30 September 2023	5,634	123,757	857	1,097	–	(35,246)	503	2,814	(996)	415,000	513,420

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements.

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**Consolidated Statement of Changes in Equity (cont'd)
For the Years Ended 30 September 2022, 2023 and 2024**

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Special reserve HK\$'000	Revaluation reserve HK\$'000	Foreign currency translation reserve HK\$'000	Legal reserve HK\$'000	Statutory surplus reserve fund HK\$'000	Financial assets at FVTOCI reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
2024:											
At 1 October 2023	5,634	123,757	857	1,097	–	(35,246)	503	2,814	(996)	415,000	513,420
Changes in equity:											
Profit for the year	–	–	–	–	–	–	–	–	–	100,411	100,411
Other comprehensive income for the year	–	–	–	–	–	12,329	–	–	781	–	13,110
Total comprehensive income for the year	–	–	–	–	–	12,329	–	–	781	100,411	113,521
Dividends (note 16)	–	–	–	–	–	–	–	–	–	(43,378)	(43,378)
At 30 September 2024	5,634	123,757	857	1,097	–	(22,917)	503	2,814	(215)	472,033	583,563

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements.

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**Consolidated Statement of Cash Flows
For the Years Ended 30 September 2022, 2023 and 2024**

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
<u>Cash flows (used in) / from operating activities</u>			
Profit before tax	110,830	81,048	121,816
Adjustments for:			
Interest income on bank deposits	(544)	(4,699)	(9,988)
Interest income on certificates of deposit	–	(241)	(321)
Interest income on debt instruments at FVTOCI	(94)	(113)	(15)
Dividend income from equity instruments at FVTOCI	(250)	(260)	(184)
Finance costs	825	2,908	2,587
Amortisation of intangible assets	42	42	731
Depreciation of right-of-use assets	2,817	3,339	3,504
Depreciation of property, plant and equipment	12,817	11,775	11,493
Allowances / (reversal of allowances) for inventories, net	1,719	3,002	(643)
Allowances / (reversal of allowances) for trade, bills and other receivables, net	7,970	(1,756)	5,000
Share of profits of associates	(1,384)	(2,459)	(731)
Gain on disposal of assets classified as held for sale	(32,692)	(840)	–
Changes in fair value of investment properties	600	–	800
Loss / (gain) on disposal of property, plant and equipment	4	(549)	–
Gain on modification of a lease contract	(11)	–	–
Loss on termination of a lease contract	14	–	–
Gain on disposal of equity instruments at FVTOCI	–	–	(17)
Loss on disposal of debt instruments at FVTOCI	–	–	40
Property, plant and equipment written off	662	3	2
Operating profit before changes in working capital	103,325	91,200	134,074
(Increase) / decrease in inventories	(30,216)	75,384	(20,372)
(Increase) / decrease in trade, bills and other receivables	(112,566)	101,129	(43,839)
Increase / (decrease) in trade, bills and other payables	42,090	(32,534)	42,940
Cash generated from operations	2,633	235,179	112,803
Income taxes paid	(6,061)	(13,782)	(15,265)
Interest on lease liabilities	(118)	(155)	(165)
Net cash flows (used in) / generated from operating activities	(3,546)	221,242	97,373

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements.

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**Consolidated Statement of Cash Flows (cont’d)
For the Years Ended 30 September 2022, 2023 and 2024**

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
<u>Cash flows from / (used in) investing activities</u>			
Interest received from bank deposits	544	3,585	10,117
Interest received from certificates of deposit	–	76	206
Interest received from debt instruments at FVTOCI	94	113	15
Dividend received from equity instruments at FVTOCI	250	260	184
Purchases of property, plant and equipment	(4,694)	(6,647)	(11,729)
Deposits paid for acquisition of property, plant and equipment	(614)	(8,197)	(29,754)
Prepayment for acquisition of right-of-use assets	(25,519)	–	–
Purchases of debt instruments at amortised cost	–	(13,131)	(9,826)
Proceeds from disposal of equity instruments at FVTOCI	–	–	1,007
Proceeds from disposal of debt instruments at FVTOCI	–	–	1,521
Purchases of intangible assets	–	(1,735)	–
Purchases of financial assets at FVTOCI	(5,543)	–	–
Payment for right-of-use assets	–	(1,297)	(989)
Redemption of financial assets at amortised costs	–	6,194	7,020
Gross proceeds from disposal of assets classified as held for sale	93,000	538	–
Proceeds from disposal of property, plant and equipment	11	2,186	–
Decrease / (increase) in time deposits with maturities of over three months but less than one year	1,005	(12,836)	(292)
Decrease / (increase) in restricted bank deposits	1,245	(2,666)	(2,633)
Net cash flows generated from / (used in) investing activities	<u>59,779</u>	<u>(33,557)</u>	<u>(35,153)</u>
<u>Cash flows (used in) / from financing activities</u>			
Interest paid on bank loans	(707)	(2,264)	(2,538)
Dividends paid	(26,478)	(37,744)	(43,378)
Inception of bank loans	30,000	60,000	–
Repayment of bank loans	(37,805)	(5,000)	(46,000)
Payment of lease liabilities	(3,233)	(3,373)	(3,329)
Net cash flows (used in) / generated from financing activities	<u>(38,223)</u>	<u>11,619</u>	<u>(95,245)</u>
Net increase / (decrease) in cash and cash equivalents	18,010	199,304	(33,025)
Effect of foreign exchange rate changes	(11,432)	(986)	8,226
Cash and cash equivalents at beginning of year	126,484	133,062	331,380
Cash and cash equivalents at end of year	<u>133,062</u>	<u>331,380</u>	<u>306,581</u>
<u>Analysis of cash and cash equivalents</u>			
Bank and cash balances	135,238	346,392	321,885
Less: Time deposits with maturities of over three months but less than one year	(2,176)	(15,012)	(15,304)
	<u>133,062</u>	<u>331,380</u>	<u>306,581</u>

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements.

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Notes to the consolidated financial statements For the Years Ended 30 September 2022, 2023 and 2024

1. General information

Infinity Development Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands with limited liability. The address of its registered office is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, the Cayman Islands. The addresses of its principal places of business in Hong Kong Special Administrative Region (“Hong Kong”) and Macao Special Administrative Region (“Macao”) of the People’s Republic of China (the “PRC”) are Units 2201-2202, 22/F., Alliance Building, 133 Connaught Road Central, Hong Kong and Rua de Pequim No. 202A-246, Macau Finance Centre, 16 Andar A-D, Macau, respectively. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The consolidated financial statements are expressed in Hong Kong dollars (“HK\$”), and all values are rounded to nearest thousand (‘000), except when otherwise stated.

The Company is an investment holding company. The principal activities of its key subsidiaries are set out in note 40 to the consolidated financial statements.

In the opinion of the Directors of the Company (the “Directors”), All Reach Investments Limited, a company incorporated in the British Virgin Islands, is the immediate and the ultimate parent and Mr. Jeong Un is the ultimate controlling party of the Company.

The consolidated financial statements have been prepared solely in connection with the proposed listing of the shares of Infinity Development Holdings Company Limited on the Catalist of the Singapore Exchange Securities Trading Limited.

The consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) are authorised for issue by the Directors of the Company on 29 September 2025.

2. Basis of preparation and compliance with financial reporting standards

These consolidated financial statements comply with the provisions of the IFRS Accounting Standards (“IFRSs”) issued by International Accounting Standards Board (“IASB”).

As a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, the Company’s consolidated financial statements were based on the Hong Kong Financial Reporting Standards (HK GAAP). The Company first adopted IFRSs from 1 October 2021, with a date of transition to IFRS of 1 October 2020. Its last audited consolidated financial statements in accordance with previous GAAP were for the year ended 30 September 2024.

There were no adjustments required on the transition to IFRS or to the statutory financial statements.

These financial statements comply with the new and revised IFRSs issued by IASB that were applicable for the financial years presented. There were no material effects.

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3. Adoption of new and revised IFRSs in issue but not yet effective

The new IFRS Accounting Standard relevant to the Group is as follows

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements” and applies for annual reporting periods beginning on or after 1 October 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (“MPM”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group’s statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as “other”.

4. Material accounting policy information

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. investment properties and certain financial instruments that are measured at fair value).

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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4. Material accounting policy information (cont’d)

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 September. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity’s returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company’s share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company

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4. Material accounting policy information (cont'd)

(b) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equal or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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4. Material accounting policy information (cont’d)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in HK\$, which is the Company’s functional and presentation currency.

(ii) Transactions and balances in each entity’s financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company’s presentation currency are translated into the Company’s presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

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4. Material accounting policy information (cont’d)

(c) Foreign currency translation (cont’d)

(iii) Translation on consolidation (cont’d)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold land	Over the term of the lease
Buildings	
– Office units	Over the term of the lease
– Factory premises	5%
Furniture, fixtures and equipment	10% – 25%
Leasehold improvements	20%
Motor vehicles	16 ² / ₃ % – 20%
Plant and machinery	10% – 20%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

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4. Material accounting policy information (cont'd)

(e) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rentals and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time.

Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is withdrawn from use. Any gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 4(s).

(f) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

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4. Material accounting policy information (cont’d)

(f) Leases (cont’d)

(i) The Group as a lessee (cont’d)

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group entities, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 4(e).

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

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4. Material accounting policy information (cont’d)

(f) Leases (cont’d)

(i) The Group as a lessee (cont’d)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract (“lease modification”) that is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

(g) Intangible assets

Intangible assets with finite useful life are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives. Intangible asset with indefinite useful life is not amortised.

(i) Club membership

For club membership with an indefinite useful life, it is stated at cost less any impairment losses. For club membership with a definite useful life, amortisation is calculated using the straight-line method to allocate the cost of club membership over their estimated useful lives of ranging from 41 to 44 years. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

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4. Material accounting policy information (cont’d)

(g) Intangible assets (cont’d)

(ii) Formula rights

Formula rights are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 5 years.

(iii) Software – acquired

Software is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 10 years.

(h) Club debentures

Club debentures with indefinite useful life are stated at cost less impairment losses. Impairment is reviewed annually or when there is any indication that the club debentures have suffered an impairment loss.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. The costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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4. Material accounting policy information (cont’d)

(j) Recognition and derecognition of financial instruments (cont’d)

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss

(k) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- FVTOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

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4. Material accounting policy information (cont’d)

(k) Financial assets (cont’d)

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the financial assets at FVTOCI reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the financial assets at FVTOCI reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

(l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowances for expected credit losses (“ECL”).

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

(n) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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4. Material accounting policy information (cont’d)

(n) Non-current assets held for sale (cont’d)

Non-current assets classified as held for sale are measured at the lower of the asset’s previous carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the consolidated statement of financial position.

(o) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(p) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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4. Material accounting policy information (cont’d)

(s) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from the sales of goods is recognised when control of the goods has transferred, being when the goods have been shipped to the customers’ specific location (delivery). Following delivery, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowances) of the assets.

Dividend income is recognised when the shareholders’ rights to receive payment are established.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(t) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

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4. Material accounting policy information (cont’d)

(t) Employee benefits (cont’d)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees’ basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

(u) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(v) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(w) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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4. Material accounting policy information (cont’d)

(w) Taxation (cont’d)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

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4. Material accounting policy information (cont’d)

(w) Taxation (cont’d)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends either to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

(x) Impairment of non-financial assets

Intangible assets that have an indefinite useful life or that are not yet available for use are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

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4. Material accounting policy information (cont’d)

(y) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade and other receivables, restricted bank deposits and bank and cash balances. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

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4. Material accounting policy information (cont’d)

(y) Impairment of financial assets (cont’d)

Significant increase in credit risk (cont’d)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default,
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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4. Material accounting policy information (cont’d)

(y) Impairment of financial assets (cont’d)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty’s financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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4. Material accounting policy information (cont’d)

(y) Impairment of financial assets (cont’d)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the financial assets at FVTOCI reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

(z) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

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4. Material accounting policy information (cont'd)

(aa) Events after the reporting period

Events after the reporting period that provide additional information about the Group’s position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. Critical judgements and key estimates

In applying the Group’s accounting policies, which are described in note 4, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Split of land and building elements

The Group determined that the lease payments cannot be allocated reliably between the land and building elements. Accordingly the entire lease of land and buildings is classified as a finance lease and included under property, plant and equipment

(b) Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

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5. Critical judgements and key estimates (cont’d)

Key sources of estimation uncertainty

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

(c) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the years ended 30 September 2022, 2023 and 2024, approximately HK\$9,480,000, HK\$13,994,000 and HK\$21,405,000 of income tax was charged to profit or loss respectively based on the estimated profit.

(d) Impairment loss for trade and bills receivables

The Group uses a provision matrix to calculate the ECLs for trade and bills receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, customer type and rating).

The provision matrix is initially based on the historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Group also appointed an independent professional valuer to assess the ECLs for trade and bills receivables.

The assessment of the correlation among historical observed default rates, forecast economic conditions, factors that are specific to the customers and the ECLs is a significant estimate. The amount of the ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade and bills receivables are included in note 6(c) and note 26 to the consolidated financial statements.

As at 30 September 2022, 2023 and 2024, the carrying amounts of trade and bills receivables were approximately HK\$254,436,000 (net of allowances for doubtful debts of HK\$17,814,000), HK\$161,995,000 (net of allowances for doubtful debts of HK\$17,814,000) and HK\$210,085,000 (net of allowances for doubtful debts of HK\$22,814,000) respectively.

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5. Critical judgements and key estimates (cont’d)

Key sources of estimation uncertainty (cont’d)

(e) Allowances for slow-moving inventories and net realisable value of inventories

Allowances for slow-moving inventories is made based on the aging and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowances charge/write-back in the period in which such estimate has been changed.

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on current market conditions and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer’s taste and competitor’s actions in response to severe industry cycles. The Group will reassess the estimates by the end of each reporting period.

The carrying amounts of inventories as at 30 September 2022, 30 September 2023 and 30 September 2024 were approximately HK\$128,239,000, HK\$49,853,000 and HK\$71,459,000 respectively.

6. Financial risk management

The Group’s activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Renminbi (“RMB”), Vietnamese Dong (“VND”), Indonesian Rupiah (“IDR”), United States dollars (“USD”) and Singapore dollars (“SGD”). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 30 September 2022, 2023 and 2024, if the RMB had weakened 5 per cent against the USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$683,000, HK\$988,000 and HK\$1,047,000 higher respectively, arising mainly as a result of the foreign exchange gain on bank and cash balances and trade and bills receivables denominated in USD. If the RMB had strengthened 5 per cent against the USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$683,000, HK\$988,000 and HK\$1,047,000 lower as at 30 September 2022, 2023 and 2024 respectively, arising mainly as a result of the foreign exchange loss on bank and cash balances and trade and bills receivables denominated in USD.

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6. Financial risk management (cont’d)

(a) Foreign currency risk (cont’d)

At 30 September 2022, 2023 and 2024, if the VND had weakened 5 per cent against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$5,782,000, HK\$186,000 and HK\$426,000 higher respectively, arising mainly as a result of the foreign exchange gain on bank and cash balances and trade and bills receivables denominated in USD. If the VND had strengthened 5 per cent against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$5,782,000, HK\$186,000 and HK\$426,000 lower as at 30 September 2022, 2023 and 2024 respectively, arising mainly as a result of the foreign exchange loss on bank and cash balances and trade and bills receivables denominated in USD.

At 30 September 2022, 2023 and 2024, if the IDR had weakened 5 per cent against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$937,000, HK\$519,000 and HK\$956,000 higher respectively, arising mainly as a result of the foreign exchange gain on bank and cash balances and trade and bills receivables denominated in USD. If the IDR had strengthened 5 per cent against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$937,000, HK\$519,000 and HK\$956,000 lower as at 30 September 2022, 2023 and 2024 respectively, arising mainly as a result of the foreign exchange loss on bank and cash balances and trade and bills receivables denominated in USD.

At 30 September 2022, 2023 and 2024, if the SGD had weakened 5 per cent against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$2,464,000, HK\$3,296,000 and HK\$5,184,000 higher respectively, arising mainly as a result of the foreign exchange gain on bank and cash balances denominated in USD. If the SGD had strengthened 5 per cent against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$2,464,000, HK\$3,296,000 and HK\$5,184,000 lower for the years ended 30 September 2022, 2023 and 2024 respectively, arising mainly as a result of the foreign exchange loss on bank and cash balances denominated in USD.

(b) Price risk

The Group is exposed to equity price risk mainly through its equity instruments at FVTOCI. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group’s equity price risk is mainly concentrated on equity securities quoted on the Stock Exchange.

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

For the years ended 30 September 2022, 2023 and 2024, if equity prices had been 10% higher/lower, other comprehensive income would increase/decrease by HK\$280,000, HK\$307,000 and HK\$278,000 respectively as a result of the changes in fair value of equity instruments at FVTOCI.

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6. Financial risk management (cont’d)

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and bills receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Group’s exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks with acceptable credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Trade and bills receivables

Customer credit risk is managed by each business unit subject to the Group’s established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 - 120 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

As 30 September 2022, 2023 and 2024, the Group had certain concentrations of credit risk as 20%, 18% and 20% respectively; and 49%, 44% and 49% of the Group’s trade receivables were due from the Group’s largest customer and five largest customers, respectively.

The Group measures loss allowances for trade and bills receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group’s historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowances based on past due status is not further distinguished between the Group’s different customer bases .

The following table provides information about the Group’s exposure to credit risk and ECLs for trade and bills receivables as at 30 September 2022, 2023 and 2024:

	<u>Expected loss rate</u> %	<u>2022 Gross carrying amount</u> HK\$’000	<u>Loss allowance</u> HK\$’000
Current (not past due)	4.08	189,928	7,744
1 to 30 days past due	5.56	65,292	3,632
31 to 60 days past due	7.11	2,080	148
61 to 90 days past due	11.26	6,918	779
More than 90 days past due	68.61	8,032	5,511
		<u>272,250</u>	<u>17,814</u>

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6. Financial risk management (cont’d)

(c) Credit risk (cont’d)

Trade and bills receivables (cont’d)

	<u>Expected loss rate</u> %	<u>2023 Gross carrying amount</u> HK\$’000	<u>Loss allowance</u> HK\$’000
Current (not past due)	5.26	124,025	6,523
1 to 30 days past due	7.91	28,834	2,281
31 to 60 days past due	10.73	12,426	1,333
61 to 90 days past due	20.27	3,961	803
More than 90 days past due	65.08	10,563	6,874
		<u>179,809</u>	<u>17,814</u>

	<u>Expected loss rate</u> %	<u>2024 Gross carrying amount</u> HK\$’000	<u>Loss allowance</u> HK\$’000
Current (not past due)	4.89	168,405	8,228
1 to 30 days past due	9.10	35,360	3,218
31 to 60 days past due	13.01	11,454	1,490
61 to 90 days past due	21.75	3,265	710
More than 90 days past due	63.60	14,415	9,168
		<u>232,899</u>	<u>22,814</u>

Expected loss rates are based on actual loss experience over the past 6, 7 and 8 years for the years ended 30 September 2022, 2023 and 2024 respectively. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

Movement in the loss allowances for trade and bills receivables during the year is as follows:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
At beginning of year	11,445	17,814	17,814
Net impairment losses recognised for the year	9,000	–	5,000
Amounts written off during the year	<u>(2,631)</u>	<u>–</u>	<u>–</u>
At end of year	<u>17,814</u>	<u>17,814</u>	<u>22,814</u>

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6. Financial risk management (cont’d)

(c) Credit risk (cont’d)

Financial assets at amortised cost

All of the Group’s other financial instruments at amortised cost are considered to have low credit risk, and the loss allowances recognised during the period were therefore limited to 12-month expected losses. Instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets at amortised cost include other receivables.

Movement in the loss allowances for other receivables during the year is as follows:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
At beginning of year	7,229	6,159	4,327
Impairment losses reversed during the year	(1,030)	(1,756)	–
Amounts written off during the year	(150)	–	–
Exchange difference	110	(76)	92
At end of year	<u>6,159</u>	<u>4,327</u>	<u>4,419</u>

(d) Liquidity risk

The Group’s policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group’s non-derivative financial liabilities is as follows:

	<u>On</u> <u>demand</u> HK\$’000	<u>Less</u> <u>than</u> <u>1 year</u> HK\$’000	<u>Between</u> <u>1 and 2</u> <u>years</u> HK\$’000	<u>Between</u> <u>2 and 5</u> <u>years</u> HK\$’000	<u>Total</u> HK\$’000
<u>At 30 September 2022</u>					
Trade, bills and other payables	–	139,344	–	–	139,344
Lease liabilities	–	3,337	3,036	386	6,759
Bank loans (Note)	30,000	–	–	–	30,000
	<u>30,000</u>	<u>142,681</u>	<u>3,036</u>	<u>386</u>	<u>176,103</u>

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6. Financial risk management (cont’d)

(d) Liquidity risk (cont’d)

	On <u>demand</u> HK\$’000	Less than <u>1 year</u> HK\$’000	Between 1 and 2 <u>years</u> HK\$’000	Between 2 and 5 <u>years</u> HK\$’000	<u>Total</u> HK\$’000
<u>At 30 September 2023</u>					
Trade, bills and other payables	–	108,185	–	–	108,185
Lease liabilities	–	3,045	1,186	169	4,400
Bank loans (Note)	85,000	–	–	–	85,000
	<u>85,000</u>	<u>111,230</u>	<u>1,186</u>	<u>169</u>	<u>197,585</u>
<u>At 30 September 2024</u>					
Trade, bills and other payables	–	152,023	–	–	152,023
Lease liabilities	–	1,896	932	1,994	4,822
Bank loans (Note)	39,000	–	–	–	39,000
	<u>39,000</u>	<u>153,919</u>	<u>932</u>	<u>1,994</u>	<u>195,845</u>

Note:

Bank loans with a repayment on demand clause are included in the ‘on demand’ time band in the above maturity analysis. As at 30 September 2022, 2023 and 2024, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$30,000,000, HK\$85,000,000 and HK\$39,000,000 respectively. Taking into account the Group’s financial position, the Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. As at 30 September 2022, 2023 and 2024, the Directors believe that such bank loans will be repaid within one year, one year and two to four years respectively after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK\$30,826,000, HK\$90,976,000 and HK\$42,278,000 as at 30 September 2022, 2023 and 2024 respectively.

(e) Interest rate risk

The Group’s cash flow interest rate risk primarily relates to variable-rate bank balances and bank loans. It is the Group’s policy to keep its borrowings at floating rate of interest so as to minimise the fair value interest rate risk.

The Group’s restricted bank deposits and time deposits bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group’s exposure to interest-risk arises from its bank balances and bank loans. These balances and loans bear interests at variable rates that vary with the then prevailing market condition.

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6. Financial risk management (cont’d)

(e) Interest rate risk (cont’d)

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing bank balances and bank loans at the end of the reporting period and assumed that the amount of assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year. The management does not anticipate a decrease in interest rate in the next financial year having regard to the trends in market interest rates and global economic environment. Accordingly, sensitivity analysis on a decrease in interest rates is not presented.

If interest rates on bank balances and bank loans had been 50 basis points higher for the years ended 30 September 2022, 2023 and 2024, and all other variables were held constant, the potential effect on consolidated profit after tax for the year is as follows:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
Increase / (decrease) in consolidated profit after tax for the year	<u>1</u>	<u>(160)</u>	<u>325</u>

(f) Categories of financial instruments

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
<u>Financial assets</u>			
Financial assets measured at FVTOCI:			
Debt instruments	914	1,477	–
Equity Instruments	2,779	3,070	2,777
Financial assets measured at amortised cost	<u>408,466</u>	<u>541,357</u>	<u>566,684</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortised cost			
	169,344	193,185	191,023
Lease liabilities	<u>6,651</u>	<u>4,258</u>	<u>4,471</u>

(g) Fair values

The carrying amounts of the Group’s financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

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7. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy

Disclosures of level in fair value hierarchy at 30 September 2022:

<u>Description</u>	<u>Fair value measurements using</u>			
	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total</u> HK\$'000
Recurring fair value measurements:				
Financial assets at FVTOCI				
Listed equity securities	2,779	–	–	2,779
Listed debt securities	–	914	–	914
	<u>2,779</u>	<u>914</u>	<u>–</u>	<u>3,693</u>
Investment properties				
Office units – the PRC	–	–	3,800	3,800
Total	<u>2,779</u>	<u>914</u>	<u>3,800</u>	<u>7,493</u>

Disclosures of level in fair value hierarchy at 30 September 2023:

<u>Description</u>	<u>Fair value measurements using</u>			
	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total</u> HK\$'000
Recurring fair value measurements:				
Financial assets at FVTOCI				
Listed equity securities	3,070	–	–	3,070
Listed debt securities	–	1,477	–	1,477
	<u>3,070</u>	<u>1,477</u>	<u>–</u>	<u>4,547</u>
Investment properties				
Office units – the PRC	–	–	3,800	3,800
Total	<u>3,070</u>	<u>1,477</u>	<u>3,800</u>	<u>8,347</u>

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7. Fair value measurements (cont’d)

(a) Disclosures of level in fair value hierarchy (cont’d)

Disclosures of level in fair value hierarchy at 30 September 2024:

<u>Description</u>	<u>Fair value measurements using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Recurring fair value measurements:				
Financial assets at FVTOCI				
Listed equity securities	2,777	–	–	2,777
Investment properties				
Office units – the PRC	–	–	3,000	3,000
Total	<u>2,777</u>	<u>–</u>	<u>3,000</u>	<u>5,777</u>

(b) Reconciliation of assets measured at fair value based on level 3:

<u>Description</u>	<u>Investment properties</u>		
	<u>2022</u>	<u>2023</u>	<u>2024</u>
	HK\$’000	HK\$’000	HK\$’000
At beginning of year	4,400	3,800	3,800
Total losses recognised in profit or loss ^(#)	<u>(600)</u>	<u>–</u>	<u>(800)</u>
At end of year	<u>3,800</u>	<u>3,800</u>	<u>3,000</u>
^(#) Include losses for assets held at end of reporting period	<u>(600)</u>	<u>–</u>	<u>(800)</u>

The total losses recognised in profit or loss including those for assets held at end of reporting period are presented in changes in fair value of investment properties in the consolidated statement of profit or loss.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 September 2022, 2023 and 2024:

The Group’s chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors (the “Board”) for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

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7. Fair value measurements (cont’d)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 September 2022, 2023 and 2024 (cont’d):

Key unobservable inputs used in level 3 fair value measurements are mainly:

- Time difference (estimated based on valuation experts’ in-house database)
- Size difference (estimated based on actual data)
- Market quote adjustment factor (estimated based on valuation experts’ in-house database)
- Market yield (estimated based on valuation experts’ in-house database)
- Floor level difference (estimated based on valuation experts’ in-house database)
- Location difference (estimated based on valuation experts’ in-house database)

Level 2 fair value measurements

<u>Description</u>	<u>Valuation techniques</u>	<u>Inputs</u>	<u>Fair value</u>		
			<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
Debt securities	Executable and indicative quotes from multiple contributors	N/A	914	1,477	–

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7. Fair value measurements (cont'd)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 September 2022, 2023 and 2024: (cont'd)

Level 3 fair value measurements

Description	Valuation techniques	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair values		
					2022 HK\$'000	2023 HK\$'000	2024 HK\$'000
Office units located in PRC	Income approach	Time difference	Year ended 30 September 2022: -1.8% to 0.3%; Year ended 30 September 2023: -1.1% to 0%; Year ended 30 September 2024: -0.6% to 0%	Increase	3,800	3,800	3,000
		Size difference	Year ended 30 September 2022: -6.7% to -6.6%; Year ended 30 September 2023: -7.2% to -3.4%; Year ended 30 September 2024: -7.1% to -5.6%	Increase			
		Market quote adjustment factor	Year ended 30 September 2022: -10%; Year ended 30 September 2023: -15%; Year ended 30 September 2024: -20%	Increase			
		Market yield	Year ended 30 September 2022: 5.1% to 5.6%; Year ended 30 September 2023: 4.8% to 5.4%; Year ended 30 September 2024: 5.1% to 5.9%	Decrease			
		Floor level difference	Year ended 30 September 2022: -3% to 3%; Year ended 30 September 2023: -3% to 0%; Year ended 30 September 2024: -3% to 3%	Increase			
		Location difference	Year ended 30 September 2022: -10% to 0%; Year ended 30 September 2023: -10% to 0%; Year ended 30 September 2024: 0%	Increase			

During the years ended 30 September 2022, 2023 and 2024, there were no significant changes in the valuation techniques used.

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8. Revenue and segment information

Operating segment information

The Group has only one operating and reportable segment. Management determines the operating segment based on the information reported to the Group’s chief operating decision makers (“CODMs”) (i.e. the Executive Directors). The CODMs assess the operating performance and allocate the resources of the Group as a whole as the Group is principally engaged in the manufacturing and selling of adhesives, primers, hardeners and vulcanized shoes adhesive related products used by the footwear manufacturers. Accordingly, there is only one operating and reportable segment.

No analysis of segment assets and liabilities is presented because the CODMs do not base on such analysis for resource allocation and performance assessment.

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
Revenue from contracts with customers <u>within the scope of IFRS 15</u>			
Sales of goods	<u>862,101</u>	<u>671,750</u>	<u>736,338</u>

The Group derives revenue from the transfer of goods at a point in time in the following geographical locations:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
Revenue			
– The PRC	124,316	92,531	99,897
– Socialist Republic of Vietnam (“Vietnam”)	545,749	433,286	453,938
– The Republic of Indonesia (“Indonesia”)	92,670	82,309	90,492
– The People’s Republic of Bangladesh	99,366	63,624	88,193
– The Republic of India (“India”)	–	–	3,818
	<u>862,101</u>	<u>671,750</u>	<u>736,338</u>

During the financial years ended 30 September 2022, 2023 and 2024, there was a customer contributing revenue of approximately HK\$205,407,000, HK\$145,977,000 and HK\$157,452,000 which accounted for approximately 24%, 22% and 21% of the Group’s total revenue respectively.

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8. Revenue and segment information (cont’d)

Operating segment information (cont’d)

An analysis of the Group’s non-current assets (excluding financial assets at FVTOCI) by their geographical locations is as follows:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
The PRC	35,859	35,236	33,624
Macau	5,906	7,942	8,178
Vietnam	64,676	58,782	55,134
Indonesia	27,602	35,894	74,309
Others	1,642	2,400	2,335
	<u>135,685</u>	<u>140,254</u>	<u>173,580</u>

9. Other income

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
Interest income on bank deposits	544	4,699	9,988
Interest income on certificates of deposits	–	241	321
Interest income on debt instruments at FVTOCI	94	113	15
Dividend income from equity instruments at FVTOCI	250	260	184
Income from sale of scrap materials	1,805	1,234	689
Government grants (Note)	645	883	845
Gross rental income from investment properties	909	811	682
Others	282	327	34
	<u>4,529</u>	<u>8,568</u>	<u>12,758</u>

Note:

Government grants mainly related to the subsidies received from the local government authority for the achievements of certain subsidiaries of the Group.

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10. Other gains and losses, net

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Exchange gains / (losses), net	3,518	(646)	(4,586)
(Loss) / gain on disposal of property, plant and equipment	(4)	549	–
Property, plant and equipment written off	(662)	(3)	(2)
Gain on disposal of equity instruments at FVTOCI	–	–	17
Loss on disposal of debt instruments at FVTOCI	–	–	(40)
Gain on modification of a lease contract	11	–	–
Loss on termination of a lease contract	(14)	–	–
Others	(32)	(9)	(166)
	<u>2,817</u>	<u>(109)</u>	<u>(4,777)</u>

11. Finance costs

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Interest on lease liabilities	118	155	165
Interest on bank loans	707	2,753	2,422
	<u>825</u>	<u>2,908</u>	<u>2,587</u>

12. Income tax expense

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Current tax			
Provision for the year			
– PRC Enterprise Income Tax (“PRC EIT”)	–	–	1,286
– Macau Complementary Tax	17,715	13,575	11,095
– Vietnam Enterprise Income Tax (“Vietnam EIT”)	359	1,399	4,540
– Indonesia Corporate Income Tax (“Indonesia CIT”)	673	1,782	2,769
	<u>18,747</u>	<u>16,756</u>	<u>19,690</u>
Over adjustments in respect of prior periods			
– Macau Complementary Tax	(4,841)	(3,034)	(226)
	<u>13,906</u>	<u>13,722</u>	<u>19,464</u>
Deferred tax expense (note 32)	(4,426)	272	1,941
	<u>9,480</u>	<u>13,994</u>	<u>21,405</u>

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12. Income tax expense (cont’d)

PRC EIT, Macau Complementary Tax, Vietnam EIT, Indonesia CIT, Singapore Corporate Income Tax (“Singapore CIT”), India Corporate Income Tax (“India CIT”) and Taiwan Corporate Income Tax (“Taiwan CIT”) are calculated at the applicable rates in accordance with the relevant laws and regulations in the respective jurisdictions.

Except for the concessionary PRC EIT rate applicable to a subsidiary in the PRC as described below, other subsidiaries in the PRC are subject to PRC EIT at a rate of 25% during the years ended 30 September 2022, 2023 and 2024. No provision for PRC EIT has been made as other subsidiaries in the PRC have no assessable profits during the years ended 30 September 2022, 2023 and 2024.

Pursuant to the relevant laws and regulations in the PRC, Zhuhai Centresin Chemical Product Company Limited[#] (“Zhuhai Centresin”), a subsidiary of the Company in the PRC, is recognised as a High and New Technology Enterprise by the relevant PRC government authorities and Zhuhai Centresin was therefore entitled to enjoy a concessionary PRC EIT rate of 15% during the years ended 30 September 2022, 2023 and 2024. No provision for PRC EIT has been made as Zhuhai Centresin has sufficient tax losses brought forward to set off against previous years’ assessable profits during the years ended 30 September 2022 and 2023. Provision of PRC EIT of Zhuhai Centresin for the year ended 30 September 2024 is based on the assessable profits for the year less tax losses brought forward.

Pursuant to the relevant laws and regulations in Macau, entities are divided into Group A (“Group A”) and Group B (“Group B”) taxpayers. Group A taxpayers are companies that have maintained proper accounting books and records, with capital of Macanese Pataca (“MOP”) 1,000,000 and above or average assessed annual taxable profits in the past 3 years of more than MPO500,000, MOP500,000 and MOP1,000,000 for the years ended 30 September 2022, 2023 and 2024 respectively. Group B taxpayers are those who do not meet the criteria mentioned above. Group A taxpayers are assessed based on their actual taxable profits and Group B taxpayers are assessed based on deemed profits ascertained by the Macau Finance Bureau. The Group has Group A and Group B taxpayers. Macau Complementary Tax for Group A taxpayers and Group B taxpayers is calculated at a rate of 12% on the actual taxable profits above MOP 600,000 and 12% on the deemed profits above MOP600,000 during the years ended 30 September 2022, 2023 and 2024, respectively

Pursuant to the relevant laws and regulations in Vietnam, subsidiaries of the Company in Vietnam are subject to Vietnam EIT at 20% during the years ended 30 September 2022, 2023 and 2024.

Pursuant to the relevant laws and regulations in Indonesia, subsidiaries of the Company in Indonesia are subject to Indonesian CIT at 22% during the years ended 30 September 2022, 2023 and 2024.

[#] The official name of this entity is in Chinese. The English translation is for identification purpose only. For the official name of this entity in Chinese, please refer to the Chinese version of the Company’s latest annual report.

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12. Income tax expense (cont’d)

Pursuant to the relevant laws and regulations in the Republic of Singapore (“Singapore”), Zhong Bu Development Singapore Pte. Ltd. (“Zhong Bu Singapore”), a subsidiary of the Company in Singapore, is subject to Singapore CIT at 17% during the years ended 30 September 2022, 2023 and 2024. No provision for Singapore CIT has been made as Zhong Bu Singapore has no assessable profits during the years ended 30 September 2022, 2023 and 2024.

Pursuant to the relevant laws and regulations in India, Zhong Bu Development India Private Ltd. (“Zhong Bu India”), a subsidiary of the Company in India is subject to India CIT at 25% during the year ended 30 September 2024. No provision for India CIT has been made as Zhong Bu India has no assessable profits during the year ended 30 September 2024.

No provision for Taiwan CIT has been made as Zhong Bu Development Taiwan Co., Ltd. (“Zhong Bu Taiwan”), a subsidiary of the Company in Taiwan, has no assessable profits during the year ended 30 September 2024. Pursuant to the relevant laws and regulations in the Republic of China (“Taiwan”), Zhong Bu Taiwan is subject to Taiwan CIT at 20% on the assessable profits above New Taiwan Dollar 120,000 during the year ended 30 September 2024.

No provision for Hong Kong Profits Tax has been made as the Group’s income neither arises in, nor is derived from, Hong Kong during the years ended 30 September 2022, 2023 and 2024.

The reconciliation between the income tax expense and the product of profit before tax multiplied by Macau Complementary Tax rate is as follows:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
Profit before tax	<u>110,830</u>	<u>81,048</u>	<u>121,816</u>
Tax at Macau Complementary Tax rate of 12% (2023: 12%; 2022: 12%)	13,300	9,726	14,618
Tax effect of expenses that are not deductible	3,036	5,471	8,149
Tax effect of income that is not taxable	(676)	(1,307)	(164)
Tax effect of tax exemption and tax concession granted to certain subsidiaries	(70)	(224)	(301)
Tax effect of tax losses not recognised	3,232	2,905	1,581
Utilisation of tax losses not previously recognised	(5,578)	(317)	(531)
Tax effect of temporary difference not recognised	(3,089)	1,335	(5,845)
Dividend withholding tax	2,010	272	1,941
Effect of different tax rates of subsidiaries operating in other jurisdictions	2,156	(833)	2,183
Over adjustments in prior years	<u>(4,841)</u>	<u>(3,034)</u>	<u>(226)</u>
Income tax expense	<u>9,480</u>	<u>13,994</u>	<u>21,405</u>

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13. Profit for the year attributable to owners of the Company

The Group’s profit for the year is stated after charging / (crediting) the following:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
Auditor’s remuneration			
– Audit service	1,160	1,160	1,250
– Non-audit services	706	502	380
Amortisation of intangible assets	42	42	731
Allowances / (reversal of allowances) for inventories included in costs of sales, net (Note)	1,719	3,002	(643)
Cost of inventories recognised as expenses	628,865	441,523	428,983
Depreciation on property, plant and equipment	12,817	11,775	11,493
Depreciation on right-of-use assets	2,817	3,339	3,504
Royalty fee included in cost of sales	2,154	2,183	2,688
Research and development expenses	3,644	3,438	3,404
Short-term lease expenses	2,471	4,050	2,941
Allowances / (reversal of allowances) for trade, bills and other receivables, net	7,970	(1,756)	5,000
Listing expenses	–	–	2,806
Gross property rental income before deduction of outgoings	(909)	(811)	(682)
Less: Outgoings	93	–	–
	<u>(816)</u>	<u>(811)</u>	<u>(682)</u>

Note:

The net reversal of allowances for inventories for the year ended 30 September 2024 resulted mainly from the utilisation of the inventories of which allowances had previously been provided for.

Cost of sales includes employee benefits expense (excluding Directors’ remuneration), depreciation and short-term lease expenses of approximately HK\$20,352,000, HK\$20,445,000 and HK\$21,269,000 for the years ended 30 September 2022, 2023 and 2024 respectively which are included in the amounts disclosed separately above or in note 14 for each type of expenses.

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14. Employee benefits expense

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Employee benefits expense (excluding Directors' emoluments):			
Salaries, bonuses and allowances	70,318	68,489	86,432
Contributions to defined contribution plans	<u>6,588</u>	<u>6,367</u>	<u>6,533</u>
	<u>76,906</u>	<u>74,856</u>	<u>92,965</u>

The Group contributes to defined contribution retirement schemes which are available to all employees. The only obligation of the Group is to make the required contributions under the schemes. No forfeited contribution is available to reduce the contribution payables in the future years.

Five highest paid individuals

During the years ended 30 September 2022, 2023 and 2024, the five highest paid individuals in the Group during the year included four Directors whose emoluments are reflected in the analysis presented in note 15(a). The emoluments of the remaining one individual for the years ended 30 September 2022, 2023 and 2024 are set out below:

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Basic salaries and allowances	792	792	873
Discretionary bonus	873	1,214	1,144
Retirement benefit scheme contributions	<u>69</u>	<u>63</u>	<u>70</u>
	<u>1,734</u>	<u>2,069</u>	<u>2,087</u>

The emoluments fell within the following band:

	<u>2022</u>	<u>No of individuals</u> <u>2023</u>	<u>2024</u>
HK\$1,500,001 to HK\$2,000,000	1	–	–
HK\$2,000,001 to HK\$2,500,000	<u>–</u>	<u>1</u>	<u>1</u>

During the years ended 30 September 2022, 2023 and 2024, no emoluments were paid by the Group to any of the Directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

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15. Benefits and interests of Directors

(a) Directors’ emoluments

The remuneration of every Director is set out below:

Emoluments paid or receivable in respect of a person’s services
as a Director, whether of the Company or its subsidiary undertaking

Name of Director	<u>Fees</u> HK\$’000	<u>Salaries</u> HK\$’000	Discretionary <u>bonus</u> HK\$’000	Housing <u>allowance</u> HK\$’000	Employer’s contribution to a retirement benefit <u>scheme</u> HK\$’000	<u>Total</u> HK\$’000
Mr. leong Un (Chairman and Chief Executive Officer)	–	5,055	3,009	–	404	8,468
Mr. Ip Chin Wing	–	1,815	331	22	145	2,313
Mr. Ip Ka Lun	–	1,815	178	–	145	2,138
Mr. Stephen Graham Prince	–	1,815	257	107	145	2,324
Mr. Chan Wing Yau George	144	–	–	–	–	144
Mr. Simon Luk	144	–	–	–	–	144
Mr. Tong Hing Wah	144	–	–	–	–	144
Total for the year ended 30 September 2022	432	10,500	3,775	129	839	15,675

Emoluments paid or receivable in respect of a person’s services
as a Director, whether of the Company or its subsidiary undertaking

Name of Director	<u>Fees</u> HK\$’000	<u>Salaries</u> HK\$’000	Discretionary <u>bonus</u> HK\$’000	Housing <u>allowance</u> HK\$’000	Employer’s contribution to a retirement benefit <u>scheme</u> HK\$’000	<u>Total</u> HK\$’000
Mr. leong Un (Chairman and Chief Executive Officer)	–	5,404	3,633	616	282	9,935
Mr. Ip Chin Wing	–	1,941	192	44	155	2,332
Mr. Ip Ka Lun	–	1,941	212	–	155	2,308
Mr. Stephen Graham Prince	–	1,941	279	115	154	2,489
Mr. Chan Wing Yau George	149	–	–	–	–	149
Mr. Simon Luk	149	–	–	–	–	149
Mr. Tong Hing Wah	149	–	–	–	–	149
Total for the year ended 30 September 2023	447	11,227	4,316	775	746	17,511

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15. Benefits and interests of Directors (cont’d)

(a) Directors’ emoluments (cont’d)

Emoluments paid or receivable in respect of a person’s services
as a Director, whether of the Company or its subsidiary undertaking

Name of Director	Fees	Salaries	Discretionary	Housing	Employer’s	Total
	HK\$’000	HK\$’000	bonus	allowance	contribution to a retirement benefit scheme	HK\$’000
Mr. Leong Un (Chairman and Chief Executive Officer)	–	5,560	2,822	387	278	9,047
Mr. Ip Chin Wing	–	1,996	140	46	160	2,342
Mr. Ip Ka Lun	–	1,996	183	–	160	2,339
Mr. Stephen Graham Prince	–	1,996	202	116	160	2,474
Mr. Chan Wing Yau George	151	–	–	–	–	151
Mr. Simon Luk	151	–	–	–	–	151
Mr. Tong Hing Wah	151	–	–	–	–	151
Ms. Li Sin Man (Note (i))	115	–	–	–	–	115
Total for the year ended 30 September 2024	568	11,548	3,347	549	758	16,770

Note (i):

Ms. Li Sin Man was appointed as an independent non-executive Director with effect from 29 December 2023.

Neither the chief executive nor any of the Directors waived any emoluments during the years ended 30 September 2022, 2023 and 2024.

The remuneration of the Directors fell within the following bands:

	No of individuals		
	2022	2023	2024
HK\$1 to HK\$500,000	3	3	4
HK\$2,000,001 to HK\$2,500,000	3	3	3
HK\$8,000,001 to HK\$8,500,000	1	–	–
HK\$9,000,001 to HK\$9,500,000	–	–	1
HK\$9,500,001 to HK\$10,000,000	–	1	–

(b) Directors’ material interests in transactions, arrangements or contracts

Save as disclosed in these consolidated financial statements, and contracts amongst group companies, no other significant transactions, arrangements and contracts to which the Company was a party and in which a Director and other Director’s connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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16. Dividends

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Interim dividend per ordinary share for the year ended 30 September 2022 declared and paid: HK1.9 cents per ordinary share; year ended 30 September 2023 declared and paid: HK2.4 cents per ordinary share; year ended 30 September 2024 declared and paid: HK3.6 cents per ordinary share	10,704	13,520	20,281
Final dividend per ordinary share for the year ended 30 September 2021 approved and paid: HK2.3 cents per ordinary share; year ended 30 September 2022 approved and paid: HK4.3 cents per ordinary share; 30 September 2023 approved and paid: HK3.3 cents per ordinary share	12,957	24,224	18,590
Special dividend per ordinary share for the year ended 30 September 2021 approved and paid: HK0.5 cents per ordinary share; year ended 30 September 2022: Nil; year ended 30 September 2023 approved and paid: HK0.8 cents per ordinary share	2,817	–	4,507
	<u>26,478</u>	<u>37,744</u>	<u>43,378</u>

Subsequent to the end of the reporting period, a final dividend of HK5.4 cents per ordinary share totalling approximately HK\$30,421,000, in respect of the year ended 30 September 2024, was approved by the shareholders of the Company at the annual general meeting held on 24 February 2025.

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17. Earnings per share

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the following:

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Earnings			
Profit for the purpose of calculating basic earnings per share	<u>101,350</u>	<u>67,054</u>	<u>100,411</u>
	<u>2022</u> '000	<u>2023</u> '000	<u>2024</u> '000
Number of shares			
Weighted average number of pre-placement ordinary shares* for the purpose of calculating basic earnings per share	<u>281,676</u>	<u>281,676</u>	<u>281,676</u>

* Adjusted for the share consolidation as disclosed in Note 39.

(b) Diluted earnings per share

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the years ended 30 September 2022, 2023 and 2024.

18. Investment properties

	HK\$'000
<u>At fair value:</u>	
At 1 October 2021	4,400
Decrease in fair value	<u>(600)</u>
At 30 September 2022 and 30 September 2023	3,800
Fair value loss for the year	<u>(800)</u>
At 30 September 2024	<u>3,000</u>

Investment properties were revalued at 30 September 2022, 2023 and 2024 by Ascent Partners Valuation Service Limited, an independent firm of chartered surveyors.

Valuation for the PRC office units was derived using the Income Approach (or sometimes referred to as a method of the Market Approach for the reversionary interests and the rate of return are market-derived) by taking into account the current rent receivables from the existing tenancy agreements and the reversionary potential of the property interests.

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19. Property, plant and equipment

	Leasehold land and buildings HK\$'000	Furniture, fixtures and equipment HK\$'000	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Plant and machinery HK\$'000	Construction in progress HK\$'000	Total HK\$'000
<u>Cost:</u>							
At 1 October 2021	69,569	11,358	7,502	5,977	93,044	1,460	188,910
Additions	–	504	–	–	536	3,654	4,694
Transfers	94	108	–	–	2,306	(2,508)	–
Disposals	–	–	–	–	(153)	–	(153)
Written off	–	(1,332)	–	–	(1,008)	–	(2,340)
Exchange difference	(3,591)	(676)	(172)	(116)	(3,935)	(22)	(8,512)
At 30 September 2022	66,072	9,962	7,330	5,861	90,790	2,584	182,599
Additions	–	1,047	637	–	1,238	3,725	6,647
Transfers	–	211	–	–	1,605	(1,816)	–
Disposals	(2,423)	(50)	(217)	–	(13)	–	(2,703)
Written off	–	(79)	–	–	(42)	–	(121)
Exchange difference	(1,204)	(245)	(19)	(44)	(2,004)	(324)	(3,840)
At 30 September 2023	62,445	10,846	7,731	5,817	91,574	4,169	182,582
Additions	–	360	–	–	344	19,836	20,540
Transfers	1,481	224	–	–	4,078	(5,783)	–
Written off	–	(294)	–	(8)	(10)	–	(312)
Exchange difference	791	164	80	26	911	764	2,736
At 30 September 2024	64,717	11,300	7,811	5,835	96,897	18,986	205,546
<u>Accumulated depreciation:</u>							
At 1 October 2021	24,886	8,584	6,187	5,105	49,241	–	94,003
Charge for the year	3,152	1,499	401	319	7,446	–	12,817
Disposals	–	–	–	–	(138)	–	(138)
Written off	–	(771)	–	–	(907)	–	(1,678)
Exchange difference	(1,691)	(566)	(88)	(109)	(2,526)	–	(4,980)
At 30 September 2022	26,347	8,746	6,500	5,315	53,116	–	100,024
Charge for the year	2,961	896	432	180	7,306	–	11,775
Disposals	(936)	(49)	(69)	–	(12)	–	(1,066)
Written off	–	(79)	–	–	(39)	–	(118)
Exchange difference	(497)	(225)	(18)	(41)	(1,141)	–	(1,922)
At 30 September 2023	27,875	9,289	6,845	5,454	59,230	–	108,693
Charge for the year	2,929	419	481	179	7,485	–	11,493
Written off	–	(293)	–	(8)	(9)	–	(310)
Exchange difference	459	148	49	25	689	–	1,370
At 30 September 2024	31,263	9,563	7,375	5,650	67,395	–	121,246
<u>Carrying amount:</u>							
At 30 September 2022	39,725	1,216	830	546	37,674	2,584	82,575
At 30 September 2023	34,570	1,557	886	363	32,344	4,169	73,889
At 30 September 2024	33,454	1,737	436	185	29,502	18,986	84,300

19A. Deposits for acquisition of property, plant and equipment

These relate to payments made for the construction of a new manufacturing plant in Indonesia.

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20. Right-of-use assets

	Leasehold land HK\$'000	Leased properties HK\$'000	Total HK\$'000
At 1 October 2021	10,952	3,124	14,076
Additions	–	3,718	3,718
Depreciation	(402)	(2,415)	(2,817)
Modification of a lease contract	–	(23)	(23)
Termination of a lease contract	–	(519)	(519)
Exchange difference	(107)	(147)	(254)
At 30 September 2022	10,443	3,738	14,181
Additions	26,592	1,041	27,633
Depreciation for the year	(1,154)	(2,185)	(3,339)
Exchange difference	(579)	(24)	(603)
At 30 September 2023	35,302	2,570	37,872
Additions	989	3,448	4,437
Depreciation for the year	(1,497)	(2,007)	(3,504)
Exchange difference	528	88	616
At 30 September 2024	<u>35,322</u>	<u>4,099</u>	<u>39,421</u>

As at 30 September 2022, 2023 and 2024, lease liabilities of approximately HK\$6,651,000, HK\$4,258,000 and HK\$4,471,000 respectively are recognised with related right-of-use assets of approximately HK\$3,738,000, HK\$2,570,000 and HK\$4,099,000. The lease agreements do not impose any covenants other than the security for borrowing purposes. One of the lease agreements was guaranteed by the Company as at 30 September 2022, 2023 and 2024.

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Depreciation expenses on right-of-use assets	2,817	3,339	3,504
Interest on lease liabilities	118	155	165
Expenses relating to short-term lease (included in cost of goods sold, selling and distribution costs and administrative expenses)	<u>2,471</u>	<u>4,050</u>	<u>2,941</u>

Details of total cash outflow for leases are set out in note 35(b).

For three years, the Group leases various offices, factories and staff quarters for its operations. For the years ended 30 September 2022, 2023 and 2024, lease contracts are entered into for a fixed term of ranging from 2.4 years to 5 years, 3 years to 5 years and 3 years to 5 years for 2022, 2023 and 2024 respectively. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns office buildings and several industrial buildings where its manufacturing facilities are primarily located. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

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21. Intangible assets

	<u>Software</u> HK\$'000	<u>Club memberships</u> HK\$'000	<u>Formula rights</u> HK\$'000	<u>Total</u> HK\$'000
<u>Cost:</u>				
At 1 October 2021	–	2,669	1,600	4,269
Exchange difference	–	(19)	–	(19)
At 30 September 2022	–	2,650	1,600	4,250
Additions	4,657	–	–	4,657
Exchange difference	(98)	(53)	–	(151)
At 30 September 2023	4,559	2,597	1,600	8,756
Exchange difference	112	(1)	–	111
At 30 September 2024	4,671	2,596	1,600	8,867
<u>Accumulated depreciation:</u>				
At 1 October 2021	–	820	1,600	2,420
Amortisation	–	42	–	42
Exchange difference	–	(2)	–	(2)
At 30 September 2022	–	860	1,600	2,460
Amortisation	–	42	–	42
Exchange difference	–	(8)	–	(8)
At 30 September 2023	–	894	1,600	2,494
Amortisation	690	41	–	731
Exchange difference	11	(1)	–	10
At 30 September 2024	701	934	1,600	3,235
<u>Carrying amount:</u>				
At 30 September 2022	–	1,790	–	1,790
At 30 September 2023	4,559	1,703	–	6,262
At 30 September 2024	3,970	1,662	–	5,632

The average remaining amortisation period of the club memberships with finite useful lives and software are as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Club memberships	33 to 35 years	32 to 34 years	31 to 33 years
Software	Nil	10 years	9 years

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22. Investments in associates

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Unlisted investments:			
Share of net assets	8,625	11,039	11,770
Goodwill	1	1	1
	<u>8,626</u>	<u>11,040</u>	<u>11,771</u>
Accumulate impairment losses	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>
	<u>6,126</u>	<u>8,540</u>	<u>9,271</u>

Details of the Group’s associates as at 30 September 2024 are as follows:

<u>Name of associates, country of incorporation, place of operations and principal activities</u>	<u>Particulars of issued and paid up capital</u>	<u>Effective percentage of equity held by Group</u>		
		<u>2022</u> %	<u>2023</u> %	<u>2024</u> %
Associates				
Warrant Parking Management Limited Macau Special Administrative Region, Mainland China Provision of management service to the government car park in Macau Special Administrative Region of the PRC	Quota capital – MOP50,000	40	40	40
Hunan Honestone New Energy Co., Ltd. # People’s Republic of China Engaged in cooperation of photovoltaics system projects	Paid-up capital – RMB2,511,000	30	30	30

The official name of this entity is in Chinese. The English translation is for identification purpose only. For the official name of this entity in Chinese, please refer to the Chinese version of the Company’s latest annual report.

The following table shows, in aggregate, the Group’s share of the amounts of all individually immaterial associates (i.e. all the above associates) under the equity method.

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
At 30 September:			
Carrying amounts of interests	<u>6,126</u>	<u>8,540</u>	<u>9,271</u>
Year ended 30 September:			
Profit and total comprehensive income for the year	<u>1,384</u>	<u>2,459</u>	<u>731</u>

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23. Financial assets at FVTOCI

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Listed investment, at fair value:			
Equity securities	2,779	3,070	2,777
Debt securities	914	1,477	–
	<u>3,693</u>	<u>4,547</u>	<u>2,777</u>

The fair values of listed equity securities are based on current bid prices.

The fair values of listed debt securities are determined based on executable and indicative quotes from multiple contributors.

Financial assets at FVTOCI are denominated in the following currencies:

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
HK\$	2,779	3,070	2,777
USD	914	1,477	–
	<u>3,693</u>	<u>4,547</u>	<u>2,777</u>

Equity securities are strategic investments which are not held for trading purposes. The Group has irrevocably elected at initial recognition to measure equity securities at FVTOCI.

Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group’s business model is achieved both by collecting contractual cash flows and selling financial assets.

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24. Assets classified as held for sale

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Property, plant and equipment			
Office units in Macau (Note (a))	–	–	–
Investment properties			
Office units in Macau (Note (a))	–	–	–
Investment in an associate (Note (b))	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>

Notes:

- (a) The gain on disposal of assets classified as held for sale for the year ended 30 September 2022, amounting to approximately HK\$32,692,000, was a one-off and non-recurring gain on disposal of properties, comprising a total of 14 commercial units located in Macau of the PRC, and recognised for upon the completion of the disposal of properties on 28 December 2021.
- (b) On 30 September 2021, a wholly-owned subsidiary of the Company (the “Transferor”), entered into a sale and purchase agreement with the controlling party (the “Transferee”) of Blue Sky Energy Efficiency Company Limited, pursuant to which the Transferor agreed to sell (the “Share Transfer”) the 40% equity interest of Blue Sky Energy Efficiency Company Limited (“Blue Sky”) held by the Group, to the Transferee at a consideration of RMB700,000 (equivalent to HK\$840,000). Subsequently, since 27 October 2021, several supplemental agreements had been entered into between the parties to extend the completion date of the Share Transfer to on or before 31 March 2023. As at 30 September 2022, the deposits made by the Transferee were approximately RMB252,000 (equivalent to HK\$302,000). Upon receipt of the balance of consideration, the Share Transfer was completed on 29 June 2023.

As at 30 September 2022, the carrying amount of the investment in Blue Sky held by the Group was Nil.

The gain on disposal of assets classified as held for sale for the year ended 30 September 2023, amounting to HK\$840,000, was from disposal of investment in Blue Sky, and recognised for upon the completion of the disposal on 29 June 2023.

25. Inventories

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Raw materials	94,985	34,620	53,380
Finished goods	33,254	15,233	18,079
	<u>128,239</u>	<u>49,853</u>	<u>71,459</u>

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26. Trade, bills and other receivables

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Trade receivables	257,301	168,950	221,094
Bill receivables	14,949	10,859	11,805
Allowances for doubtful debts	<u>(17,814)</u>	<u>(17,814)</u>	<u>(22,814)</u>
	254,436	161,995	210,085
Value-added tax recoverable	14,327	6,478	1,238
Other receivables, net of loss allowance	2,709	7,119	3,309
Prepayments and deposits	<u>7,212</u>	<u>2,506</u>	<u>3,691</u>
	<u>278,684</u>	<u>178,098</u>	<u>218,323</u>

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days.

The ageing analysis of trade and bills receivables, based on the invoice date, and net of allowances, is as follows:

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
0 to 90 days	211,053	130,128	186,455
91 to 180 days	42,782	30,823	22,438
181 to 365 days	<u>601</u>	<u>1,044</u>	<u>1,192</u>
	<u>254,436</u>	<u>161,995</u>	<u>210,085</u>

As at 30 September 2022, 2023 and 2024, allowances were made for estimated irrecoverable trade and bills receivables of approximately HK\$17,814,000, HK\$17,814,000 and HK\$22,814,000 respectively.

The carrying amounts of the Group's trade and bills receivables, before allowances for doubtful debts, are denominated in the following currencies:

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
USD	221,972	138,614	188,772
RMB	42,053	29,136	32,026
IDR	4,173	7,451	8,058
HK\$	482	539	519
Others	<u>3,570</u>	<u>4,069</u>	<u>3,524</u>
	<u>272,250</u>	<u>179,809</u>	<u>232,899</u>

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27. Debt instruments at amortised costs

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Certificates of deposit	–	7,102	10,023

The Group’s debt instruments at amortised cost represent debt securities that are issued by financial institutions. Details of these debts instruments at amortised costs are as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Interest rate	–	3.80% – 5.00%	4.80% – 5.50%
Maturity date	–	February 2024 to March 2024	December 2024 to August 2025

None of these assets has been past due or impaired at the end of the reporting period.

The fair value of debt securities at 30 September 2022, 2023 and 2024 are approximately Nil, HK\$7,083,000 and HK\$10,023,000 respectively. The fair value of the certificates of deposit is based on current market prices.

28. Restricted bank deposits and bank and cash balances

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Restricted bank deposits (Note (a))	16,083	18,749	21,382
Time deposits with maturities of over three months but less than one year (Note (b))	2,176	15,012	15,304
Cash and cash equivalents	133,062	331,380	306,581
	<u>151,321</u>	<u>365,141</u>	<u>343,267</u>

Notes:

- (a) The Group’s restricted bank deposits mainly represented deposits pledged to banks to secure banking facilities granted to the Group as set out in note 29 and note 31 to the consolidated financial statements.
- (c) Short-term time deposits as at 30 September 2022, 2023 and 2024 were made for a period of nine months, six to twelve months and 95 days to twelve months respectively at an interest rate of 0.10%, 3.00% to 5.09% and 3.45% to 4.90% per annum respectively.

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28. Restricted bank deposits and bank and cash balances (cont’d)

The carrying amounts of the Group’s restricted bank deposits and bank and cash balances are denominated in the following currencies:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
HK\$	46,012	111,810	74,823
USD	87,424	230,973	239,390
RMB	2,126	4,482	6,978
VND	5,240	9,380	6,372
Others	10,519	8,496	15,704
	<u>151,321</u>	<u>365,141</u>	<u>343,267</u>

As at 30 September 2022, 2023 and 2024, the bank and cash balances of the Group denominated in RMB amounted to approximately HK\$2,126,000, HK\$4,482,000 and HK\$6,978,000 respectively. Conversion of RMB into foreign currencies is subject to the PRC’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

29. Trade, bills and other payables

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
Trade payables	49,541	33,065	48,085
Bill payables – secured (Note (a))	9,760	3,490	7,457
	<u>59,301</u>	<u>36,555</u>	<u>55,542</u>
Amount due to an associate (Note (b))	3,296	2,090	2,090
Accruals	76,747	69,540	94,391
	<u>139,344</u>	<u>108,185</u>	<u>152,023</u>

Notes:

- (a) The balances are secured by (i) restricted bank deposits of the Group (note 28); and (ii) a corporate guarantee executed by the Company.
- (b) Amount due to an associate is of non-trade nature, unsecured, interest-free and repayable on demand.

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29. Trade, bills and other payables (cont’d)

The Group normally receives credit terms ranging from 30 to 90 days from its suppliers. The ageing analysis of trade and bills payables, based on the date of receipt of goods, is as follows:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
0 to 90 days	59,301	36,503	55,516
91 to 180 days	–	52	26
	<u>59,301</u>	<u>36,555</u>	<u>55,542</u>

The carrying amounts of the Group’s trade and bills payables are denominated in the following currencies:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
RMB	18,809	15,813	21,180
USD	33,874	9,940	29,981
VND	3,899	9,396	3,163
Others	2,719	1,406	1,218
	<u>59,301</u>	<u>36,555</u>	<u>55,542</u>

30. Lease liabilities

	<u>Minimum lease payments</u>			Present value of <u>minimum lease payments</u>		
	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
Within one year	3,337	3,045	1,896	3,256	2,947	1,739
In the second to fifth years, inclusive	3,422	1,355	2,926	3,395	1,311	2,732
	<u>6,759</u>	<u>4,400</u>	<u>4,822</u>	<u>6,651</u>	<u>4,258</u>	<u>4,471</u>
Less: Future finance charges	(108)	(142)	(351)	–	–	–
Present value of lease obligations	<u>6,651</u>	<u>4,258</u>	<u>4,471</u>	6,651	4,258	4,471
Less: Amount due for settlement within 12 months (shown under current liabilities)				<u>(3,256)</u>	<u>(2,947)</u>	<u>(1,739)</u>
Amount due for settlement after 12 months				<u>3,395</u>	<u>1,311</u>	<u>2,732</u>

The incremental borrowing rates applied to lease liabilities are as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Incremental borrowing rates	<u>0.78% to 3.29%</u>	<u>0.78% to 11.27%</u>	<u>0.78% to 11.27%</u>

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30. Lease liabilities (cont’d)

The carrying amounts of the Group’s lease liabilities are denominated in the following currencies:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
HK\$	5,010	2,868	776
RMB	1,641	521	3,125
SGD	–	869	570
	<u>6,651</u>	<u>4,258</u>	<u>4,471</u>

31. Bank loans

The bank loans are repayable within one year or on demand.

The carrying amounts of the Group’s bank loans are denominated in HK\$.

The bank loans are arranged at floating rates and expose the Group to cash flow interest rate risk. As at 30 September 2022, 2023 and 2024, the average interest rate of the bank loans was approximately 3.62%, 5.84% and 5.45% per annum respectively.

As at 30 September 2022, 2023 and 2024, the Group’s banking facilities are secured by (i) restricted bank deposits (note 28); and (ii) a corporate guarantee executed by the Company.

32. Deferred tax liabilities

The following are the deferred tax liabilities recognised by the Group.

	Undistributed profits of subsidiaries HK\$’000	Undistributed profits of associates HK\$’000	Revaluation surplus of investment properties HK\$’000	Total HK\$’000
At 1 October 2021	3,485	–	6,836	10,321
Charge / (credit) for the year (note 12)	2,010	–	(6,436)	(4,426)
Exchange difference	(164)	–	–	(164)
At 30 September 2022	5,331	–	400	5,731
Charge for the year (note 12)	272	–	–	272
Exchange difference	58	–	–	58
At 30 September 2023	5,661	–	400	6,061
Charge for the year (note 12)	1,791	150	–	1,941
At 30 September 2024	<u>7,452</u>	<u>150</u>	<u>400</u>	<u>8,002</u>

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32. Deferred tax liabilities (cont’d)

As at 30 September 2022, 2023 and 2024, the Group has unused tax losses of approximately HK\$43,971,000, HK\$59,523,000 and HK\$17,706,000 respectively, available for offsetting against future profits. No deferred tax assets have been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. The expiry dates of these tax losses are as follows:

	<u>2022</u> HK\$’000	<u>2023</u> HK\$’000	<u>2024</u> HK\$’000
No expiry date	36,271	57,512	17,474
Expire in 2024	–	40	40
Expire in 2025	–	9	9
Expire in 2026	–	2	2
Expire in 2027	–	2	2
Expire in 2029	–	–	179
Expire in 2030	1,282	–	–
Expire in 2031	6,418	1,958	–
	<u>43,971</u>	<u>59,523</u>	<u>17,706</u>

33. Share capital

	Number of shares <u>issued</u>	Share <u>capital</u> HK\$’000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 October 2021, 30 September 2022, 30 September 2023 and 30 September 2024	5,000,000,000	50,000
Issued and fully paid:		
At 1 October 2021, 30 September 2022, 30 September 2023 and 30 September 2024	<u>563,351,076</u>	<u>5,634</u>

The Group receives a report from the share registrars monthly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year.

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There were no breaches of financial covenants of any interest-bearing borrowings for the years ended 30 September 2022, 2023 and 2024.

Also see note 39(b).

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INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

34. Other reserves

(a) Group

The amounts of the Group’s reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Capital redemption reserve

The capital redemption reserve arose from the repurchase and cancellation of the shares in prior years.

(ii) Special reserve

The special reserve represents the differences between the nominal amount of the shares issued by the Company and the Group’s former holding company and the aggregate amount of paid-in capital of the subsidiaries acquired pursuant to the group reorganisation in June 2009 and March 2010 in preparation for the listing of the Company’s shares in 2010.

(iii) Revaluation reserve

The revaluation reserve represents the revaluation gain on property, plant and equipment upon transfer to investment properties.

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(c) to the consolidated financial statements.

(v) Legal reserve

In accordance with the provisions of the Macau Commercial Code issued by the government of Macau, the Macau subsidiaries of the Company are required to transfer from their annual net profit at a minimum rate of 25% to a legal reserve before the appropriation of profits to dividend until the legal reserve reaches 50% of the respective subsidiaries’ registered capital. The legal reserve is not distributable to shareholders.

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34. Other reserves (cont’d)

(b) Nature and purpose of reserves (cont’d)

(v) Statutory surplus reserve fund

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company’s subsidiaries in the PRC are required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of the PRC subsidiaries in accordance with relevant laws and regulations applicable to PRC enterprises. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

(vi) Financial assets at FVTOCI reserve

The financial assets at FVTOCI reserve comprises the cumulative net change in the fair value of financial assets at FVTOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(l) to the consolidated financial statements.

35. Notes to the consolidated statement of cash flows

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statement of cash flows as cash flows from financing activities.

	At 1 October <u>2021</u> HK\$’000	Cash flows HK\$’000	Interest expenses HK\$’000	<u>Additions</u> HK\$’000	<u>Termination</u> HK\$’000	<u>Modification</u> HK\$’000	Exchange difference HK\$’000	At 30 September <u>2022</u> HK\$’000
Bank loans	37,798	(8,512)	707	–	–	–	7	30,000
Lease liabilities	3,354	(3,351)	118	7,235	(505)	(34)	(166)	6,651
	<u>41,152</u>	<u>(11,863)</u>	<u>825</u>	<u>7,235</u>	<u>(505)</u>	<u>(34)</u>	<u>(159)</u>	<u>36,651</u>

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35. Notes to the consolidated statement of cash flows (cont'd)

(a) Reconciliation of liabilities arising from financing activities (cont'd)

	At 1 October <u>2022</u>	Cash flows	Interest expenses	Additions	Interest payable transferred to other payables	Modification	Exchange difference	At 30 September <u>2023</u>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank loans	30,000	52,736	2,753	–	(489)	–	–	85,000
Lease liabilities	6,651	(3,528)	155	1,007	–	–	(27)	4,258
	<u>36,651</u>	<u>49,208</u>	<u>2,908</u>	<u>1,007</u>	<u>(489)</u>	<u>–</u>	<u>(27)</u>	<u>89,258</u>

	At 1 October <u>2023</u>	Cash flows	Interest expenses	Additions	Settlement of interest payable in other payables	Modification	Exchange difference	At 30 September <u>2024</u>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank loans	85,000	(48,538)	2,422	–	116	–	–	39,000
Lease liabilities	4,258	(3,494)	165	3,448	–	–	94	4,471
	<u>89,258</u>	<u>(52,032)</u>	<u>2,587</u>	<u>3,448</u>	<u>116</u>	<u>–</u>	<u>94</u>	<u>43,471</u>

(b) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Within operating cash flows	2,589	4,205	3,106
Within financing cash flows	<u>3,233</u>	<u>3,373</u>	<u>3,329</u>
	<u>5,822</u>	<u>7,578</u>	<u>6,435</u>

The above amounts related to the lease rental paid during the years ended 30 September 2022, 2023 and 2024.

36. Contingent liabilities

As at 30 September 2022, 2023 and 2024, the Group did not have any significant contingent liabilities.

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37. Lease commitments

The Group as lessee

The Group regularly entered into short-term leases for offices, warehouses and staff quarters. As at 30 September 2022, 2023 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 20.

The Group as lessor

Operating leases relate to an investment properties owned by the Group with the following lease terms:

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Lease terms	<u>1 year</u>	<u>1 to 2 years</u>	<u>1 to 2 years</u>

All operating lease contracts contain market review clauses in the event that the lessee exercises its options to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Minimum lease payments receivable on leases are as follows:

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Not later than one year	293	244	180
In the second to fifth years, inclusive	–	77	–
	<u>293</u>	<u>321</u>	<u>180</u>

The following table presents the amounts reported in profit or loss for the year:

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Lease income on operating leases	<u>909</u>	<u>811</u>	<u>682</u>

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38. Capital commitments

Capital commitments contracted for at the end of the reporting period but not yet incurred and provided for are as follows:

	<u>2022</u> HK\$'000	<u>2023</u> HK\$'000	<u>2024</u> HK\$'000
Property, plant and equipment	<u>8,591</u>	<u>11,262</u>	<u>51,347</u>

39. Events after the reporting year

- (a) On 19 November 2024, an indirect wholly-owned subsidiary of the Company (the “Purchaser”), entered into an agreement with a vendor (the “Vendor”) which is a third party independent of the Company and its connected persons, pursuant to which the Vendor would sell machinery and production equipment; and provide certain pipeline, instrument and electrical works in the new manufacturing plant in Indonesia, to the Purchaser at a consideration of US\$4,250,000 (equivalent to approximately HK\$33,150,000).
- (b) On 2 April 2025, an indirect wholly-owned subsidiary, Zhong Bu Management Limited, was incorporated in Labuan, Malaysia with a registered capital of US\$100,000.
- (c) On 25 September 2025, the Company had obtained shareholders’ approval, among others, the following:
- (i) the proposed share consolidation (whereby every two issued and unissued ordinary shares (the “Shares”) of par value of HK\$0.01 each be consolidated into one ordinary share of par value of HK\$0.02 each);
 - (ii) the proposed appointment of RSM SG Assurance LLP as the joint auditor of the Company;
 - (iii) the proposed amendment of the existing memorandum and articles of association of the Company; and
 - (iv) the proposed listing of the Shares on the Catalist Board of the Singapore Exchange Securities Trading Limited.

On 20 October 2025, the share consolidation was completed (the “Completion”). Upon the Completion, the issued and paid-up share capital of the Company remained unchanged at approximately HK\$5,634,000, comprising 281,675,538 ordinary shares with par value of HK\$0.02 per share.

As at the date of this report, the proposed appointment of RSM SG Assurance LLP, the proposed amendment of the existing memorandum and articles of association and the proposed listing of the Shares on the Catalist Board of the Singapore Exchange Securities Trading Limited have not yet been completed.

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40. Key subsidiaries of the Group

Name of subsidiaries, country of incorporation, <u>place of operations and principal activities</u>	Nominal value of issued and fully paid share capital / registered capital / chartered capital /quota capital	Effective percentage of <u>equity held by Group</u>		
		<u>2022</u> %	<u>2023</u> %	<u>2024</u> %
Keen Castle Limited ^(c) British Virgin Islands Investment holding	2,000 ordinary shares of USD1 each	100	100	100
PT. Zhong Bu Adhesive Indonesia ^{(a), (b)} Indonesia Manufacture, processing and sales of adhesive products	300,000 ordinary shares of USD1 each	100	100	100
Zhong Bu Adhesive (Vietnam) Co., Ltd. ^{(a), (b)} Vietnam Processing of adhesive products	Chartered capital – USD11,000,000	100	100	100
Zhuhai Centresin Chemical Product Company Limited ^{(a), (b), (d), #} People’s Republic of China Manufacture and sale of adhesive products	Registered capital – HK\$31,000,000	100	100	100
Iao Son Hong Paint Company Limited ^{(a), (c)} Macau Special Administrative Region, PRC Provision of administrative support to the Group and sales of adhesive products	Quota capital – MOP900,000	100	100	100
Huu Tin Hang Company Limited ^(b) Vietnam Sale of adhesive products	Chartered capital – VND600,000,000	100	100	100
PT. Zhongbu Resins Indonesia ^{(a), (b)} Indonesia Manufacture and sale of adhesive products	171,600 ordinary shares of IDR1,000,000 each	100	100	100
Zhong Bu Development Singapore Pte. Ltd. ^{(a), (b)} Singapore Investment holding and provision of administrative support to the Group	100,000 ordinary shares of SGD100,000	100	100	100

(a) Audited by RSM Hong Kong, a member of RSM International, in its capacity as statutory auditor or for purpose of consolidated financial statements.

(b) Statutory auditor is other independent auditors other than member firms of RSM International network firms.

(c) Not required to be audited under the laws of the country of incorporation.

(d) The entity is a wholly owned foreign-owned enterprise in the PRC.

The official name of this entity is in Chinese. The English translation is for identification purpose only. For the official name of this entity in Chinese, please refer to the Chinese version of the Company’s latest annual report.

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**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
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INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED

Statement by Directors and unaudited interim condensed consolidated financial statements

Six-month period ended 31 March 2025

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
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INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

Statement by Directors

The Directors of Infinity Development Holdings Company Limited (the “Company”) are pleased to present the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six-month period ended 31 March 2025.

In the opinion of the Directors:

- (i) the unaudited interim condensed consolidated financial statements of the Group are drawn up in accordance with International Accounting Standard 34 *Interim Financial Reporting* so as to present fairly, in all material respects, the financial position of the Group as at 31 March 2025 and the financial performance, changes in equity and cash flows of the Group for the six-month period ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

On behalf of Directors

.....
Ip Ka Lun
Director

.....
Stephen Graham Prince
Director

21 November 2025

APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2025

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR’S REVIEW REPORT ON THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2025

The Board of Directors
Infinity Development Holding Company Limited
Units 2201 – 2202, 22/F,
Alliance Building,
133 Connaught Road Central,
Hong Kong.

Report on the review of unaudited interim condensed consolidated financial statements

Introduction

We have reviewed the accompanying unaudited interim condensed consolidated financial statements of Infinity Development Holdings Company Limited (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the unaudited interim condensed consolidated statement of financial position as at 31 March 2025 and the related unaudited interim condensed consolidated statement of profit or loss, unaudited interim condensed consolidated statement of profit or loss and other comprehensive income, unaudited interim condensed consolidated statement of changes in equity and unaudited interim condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory information. Management is responsible for the preparation and presentation of these unaudited interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on the unaudited interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (“ISRE”) 2410 (Revised) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited interim condensed consolidated financial statements are not prepared, in all material aspects, in accordance with IAS 34.

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Other matter

Other than the Group’s consolidated statement of financial position as at 30 September 2024 which has been audited, all corresponding figures have not been audited or reviewed. The unaudited interim condensed consolidated financial statements for the corresponding six-month period ended 31 March 2024 is the responsibility of management.

Restriction on distribution and use

This report has been prepared solely to you as a body and for inclusion in the Offer Document of the Group to be issued in relation to the proposed listing of the shares of the Company on the Catalist of the Singapore Exchange Securities Trading Limited and for no other purpose.

RSM SG Assurance LLP
Public Accountants and Chartered Accountants
Singapore

Partner-in-charge: Tan Wei Ling
21 November 2025

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
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INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

**Interim Condensed Consolidated Statement of Profit or Loss
For the Six-Month Period Ended 31 March 2025**

	<u>Notes</u>	Six-month period ended 31 March	
		<u>2024</u> HK\$'000 (Unaudited)	<u>2025</u> HK\$'000 (Unaudited)
Revenue	5	332,498	409,306
Cost of goods sold		(207,580)	(255,912)
Gross profit		<u>124,918</u>	<u>153,394</u>
Other income	6	6,087	5,331
Other gains and losses, net	7	896	5,881
Allowance for trade, bills and other receivables		(5,000)	(3,000)
Selling and distribution costs		(22,622)	(25,274)
Administrative expenses		(53,005)	(65,548)
Profit from operations		<u>51,274</u>	<u>70,784</u>
Finance costs	8	(1,357)	(934)
Share of profits / (losses) of associates		752	(150)
Profit before tax		<u>50,669</u>	<u>69,700</u>
Income tax expense	9	(9,678)	(13,091)
Profit for the period attributable to owners of the Company	10	<u>40,991</u>	<u>56,609</u>
 Earnings per share		HK cents	HK cents
– Basic	13A	<u>14.6</u>	<u>20.1</u>
– Diluted	13B	<u>Not applicable</u>	<u>Not applicable</u>

The accompanying notes form an integral part of and should be read in conjunction with these unaudited interim condensed consolidated financial statements.

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INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

**Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Six-Month Period Ended 31 March 2025**

	Six-month period ended 31 March	
	2024 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Profit for the period attributable to owners of the Company	40,991	56,609
Other comprehensive income / (loss):		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value changes of equity instruments at fair value through other comprehensive income (“FVTOCI”)	97	279
<i>Items that may be reclassified to profit or loss:</i>		
Reclassification adjustment for amount transferred to profit or loss upon disposal of debt instruments at FVTOCI	83	–
Exchange differences on translating foreign operations	123	(18,863)
	206	(18,863)
Other comprehensive income / (loss) for the period, net of tax	303	(18,584)
Total comprehensive income for the period attributable to owners of the Company	41,294	38,025

The accompanying notes form an integral part of and should be read in conjunction with these unaudited interim condensed consolidated financial statements.

**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT AND THE
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**Interim Condensed Consolidated Statement of Financial Position
As at 31 March 2025**

	<u>Notes</u>	30 September 2024 HK\$'000 (Audited)	31 March 2025 HK\$'000 (Unaudited)
ASSETS			
<u>Non-current assets</u>			
Investment properties		3,000	3,000
Property, plant and equipment	14	84,300	79,563
Right-of-use assets	15	39,421	40,841
Intangible assets	16	5,632	5,246
Investments in associates	17	9,271	9,121
Club debentures		1,080	1,080
Financial assets at FVTOCI	18	2,777	3,056
Deposits for acquisition of property, plant and equipment	14A	30,876	55,600
Total non-current assets		176,357	197,507
<u>Current assets</u>			
Inventories	19	71,459	74,942
Trade, bills and other receivables	20	218,323	204,191
Debt instruments at amortised cost	21	10,023	13,360
Restricted bank deposits	22	21,382	21,461
Bank and cash balances	22	321,885	321,728
Total current assets		643,072	635,682
Total assets		819,429	833,189

The accompanying notes form an integral part of and should be read in conjunction with these unaudited interim condensed consolidated financial statements.

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**Interim Condensed Consolidated Statement of Financial Position (cont’d)
As at 31 March 2025**

	<u>Notes</u>	30 September 2024 HK\$'000 (Audited)	31 March 2025 HK\$'000 (Unaudited)
LIABILITIES			
<u>Non-current liabilities</u>			
Deferred tax liabilities	26	8,002	8,313
Lease liabilities	24	2,732	5,110
Total non-current liabilities		10,734	13,423
<u>Current liabilities</u>			
Income tax payable		32,370	37,408
Bank loans	25	39,000	31,000
Lease liabilities	24	1,739	2,867
Trade, bills and other payables	23	152,023	157,324
Total current liabilities		225,132	228,599
Total liabilities		235,866	242,022
Net current assets		417,940	407,083
Net assets		583,563	591,167
EQUITY			
Share capital	27	5,634	5,634
Share premium		123,757	123,757
Retained earnings		472,033	498,221
Other reserves		(17,861)	(36,445)
Total equity		583,563	591,167

The accompanying notes form an integral part of and should be read in conjunction with these unaudited interim condensed consolidated financial statements.

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INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED AND ITS SUBSIDIARIES

**Interim Condensed Consolidated Statement of Changes in Equity
For the Six-Month Period Ended 31 March 2025**

	Unaudited									
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Special reserve HK\$'000	Foreign currency translation reserve HK\$'000	Legal reserve HK\$'000	Statutory surplus reserve fund HK\$'000	Financial assets at FVTOCI reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 October 2023	5,634	123,757	857	1,097	(35,246)	503	2,814	(996)	415,000	513,420
Changes in equity:										
Profit for the year	-	-	-	-	-	-	-	180	-	180
Other comprehensive income for the period	-	-	-	-	123	-	-	-	40,991	41,114
Total comprehensive income for the period	-	-	-	-	123	-	-	180	40,991	41,294
Dividends declared and paid (note 12)	-	-	-	-	-	-	-	-	(23,097)	(23,097)
At 31 March 2024	5,634	123,757	857	1,097	(35,123)	503	2,814	(816)	432,894	531,617
At 1 October 2024	5,634	123,757	857	1,097	(22,917)	503	2,814	(215)	472,033	583,563
Changes in equity:										
Profit for the year	-	-	-	-	-	-	-	279	-	279
Other comprehensive (loss) / income for the period	-	-	-	-	(18,863)	-	-	-	56,609	37,746
Total comprehensive (loss) / income for the period	-	-	-	-	(18,863)	-	-	279	56,609	38,025
Dividends declared and paid (note 12)	-	-	-	-	-	-	-	-	(30,421)	(30,421)
At 31 March 2025	5,634	123,757	857	1,097	(41,780)	503	2,814	64	498,221	591,167

The accompanying notes form an integral part of and should be read in conjunction with these unaudited interim condensed consolidated financial statements.

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**Interim Condensed Consolidated Statement of Cash Flows
For the Six-Month Period Ended 31 March 2025**

	Six-month period ended 31 March	
	<u>2024</u> HK\$'000 (Unaudited)	<u>2025</u> HK\$'000 (Unaudited)
<u>Cash flows from operating activities</u>		
Profit before tax	50,669	69,700
Adjustments for:		
Interest income on bank deposits	(5,009)	(3,066)
Interest income on certificates of deposit	(154)	–
Interest income on debt instruments at FVTOCI	(15)	–
Dividend income from equity instruments at FVTOCI	(15)	(279)
Finance costs	1,357	934
Amortisation of intangible assets	21	228
Depreciation of right-of-use assets	1,826	1,792
Depreciation of property, plant and equipment	5,804	5,630
Allowances for inventories, net	7,786	7,695
Allowances for trade, bills and other receivables, net	5,000	3,000
Share of (profits) / losses of associates	(752)	150
Loss on disposal of debt instruments at FVTOCI	40	–
Property, plant and equipment written off	–	366
Operating profit before changes in working capital	<u>66,558</u>	<u>86,150</u>
Increase in inventories	(19,101)	(12,951)
Decrease in trade, bills and other receivables	9,390	9,617
Decrease in trade, bills and other payables	8,674	3,287
Cash generated from operations	<u>65,521</u>	<u>86,103</u>
Income taxes paid	(7,834)	(13,782)
Interest on lease liabilities	(59)	(104)
Net cash generated from operating activities	<u>57,628</u>	<u>72,217</u>

The accompanying notes form an integral part of and should be read in conjunction with these unaudited interim condensed consolidated financial statements.

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**Interim Condensed Consolidated Statement of Cash Flows (cont’d)
For the Six-Month Period Ended 31 March 2025**

	Six-month period ended 31 March	
	2024 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
<u>Cash flows used in investing activities</u>		
Interest received from bank deposits	5,179	3,066
Interest received from certificates of deposit	226	411
Interest received from debt instruments at FVTOCI	35	–
Dividend received from equity instruments at FVTOCI	15	–
Purchases of property, plant and equipment	(8,636)	(3,890)
Deposits paid on acquisition of property, plant and equipment	–	(23,191)
Purchases of debt instruments at amortised cost	(1,806)	(3,748)
Redemption of debt instruments at amortised cost	7,020	–
(Increase) / decrease in time deposits with maturities of over three months but less than one year	(4,333)	12,515
Increase in restricted bank deposits	(100)	(79)
Proceed from disposal of debt instruments at FVTOCI	1,520	–
Net cash used in investing activities	(880)	(14,916)
<u>Cash flows used in financing activities</u>		
Inception of bank loans	15,000	–
Interest paid on bank loans	(1,352)	(830)
Repayment of bank loans	(38,000)	(8,000)
Principal elements of lease liabilities	(1,718)	(1,913)
Dividends paid	(23,097)	(30,421)
Net cash used in financing activities	(49,167)	(41,164)
Net increase in cash and cash equivalents	7,581	16,137
Effect of foreign exchange rate changes	199	(3,779)
Cash and cash equivalents at beginning of period	331,380	306,581
Cash and cash equivalents at end of period	339,160	318,939
<u>Analysis of cash and cash equivalents at end of period</u>		
Bank and cash balances	358,505	321,728
Less: Time deposits with maturities of over three months but less than one year	(19,345)	(2,789)
	339,160	318,939

The accompanying notes form an integral part of and should be read in conjunction with these unaudited interim condensed consolidated financial statements.

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Notes to the Interim Condensed Consolidated Financial Statements For the Six-Month Period ended 31 March 2025

1. General information

Infinity Development Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands with limited liability. The address of its registered office is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, the Cayman Islands. The addresses of its principal places of business in Hong Kong Special Administrative Region (“Hong Kong”) and Macao Special Administrative Region (“Macao”) of the People’s Republic of China (the “PRC”) are Units 2201–2202, 22/F., Alliance Building, 133 Connaught Road Central, Hong Kong and Rua de Pequim No. 202A-246, Macau Finance Centre, 16 Andar A-D, Macau, respectively. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The unaudited interim condensed consolidated financial statements are expressed in Hong Kong dollars (“HK\$”), and all values are rounded to nearest thousand (‘000), except when otherwise stated.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “Group”) are principally engaged in manufacturing and selling of adhesives, primers, hardeners and vulcanised shoes adhesive related products used by the footwear manufacturers.

These unaudited interim condensed consolidated financial statements have been prepared solely in connection with the proposed listing of the shares of Infinity Development Holdings Company Limited on the Catalist of the Singapore Exchange Securities Trading Limited.

The unaudited interim condensed consolidated financial statements of the Group are authorised for issue by the Directors of the Company on 29 September 2025.

2. Basis of preparation of the condensed consolidated financial statements

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”).

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in a complete set of financial statements prepared in accordance with IFRS Accounting Standards (“IFRSs”) issued by the IASB, and should be read in conjunction with the Group’s consolidated financial statements prepared in accordance with IFRSs for the years ended 30 September 2022, 2023 and 2024 which is included in the Offer Document of the Group.

The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those used in the Group’s consolidated financial statements prepared in accordance with IFRSs for the years ended 30 September 2022, 2023 and 2024.

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3. Adoption of new and revised IFRSs

3A. New or amended standards adopted by the Group

The Group has adopted the following amendments for the first time from 1 October 2024:

<u>IAS / IFRS No.</u>	<u>Title</u>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

As a result of the adoption of the amendments to IAS 1, the Group changed its accounting policy for the classification of borrowings as below:

“Borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.”

This new policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

Except for those as mentioned above, the Group did not change its accounting policies or make retrospective adjustments as a result of adopting other amended standards or revised interpretation.

3B. Impact of new and amended standards issued but not yet adopted by the Group

In August 2023, IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 October 2025. The management does not expect the amendment to have a material impact on the consolidated financial statements.

In April 2024, IASB issued IFRS 18 which is effective for annual reporting periods beginning on or after 1 October 2027, with early application permitted. IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The management is currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

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4. Fair value measurements

The carrying amounts of the Group’s financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group’s policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The following table shows the carrying amounts and fair value of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(a) Disclosure of level in fair value hierarchy

Disclosures of level in fair value hierarchy at 30 September 2024 (Audited):

<u>Description</u>	<u>Fair value measurements using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Recurring fair value measurements:				
Financial assets at FVTOCI				
Listed equity securities	2,777	–	–	2,777
Investment properties				
Office units – the PRC	–	–	3,000	3,000
Total	2,777	–	3,000	5,777

Disclosures of level in fair value hierarchy at 31 March 2025 (Unaudited):

<u>Description</u>	<u>Fair value measurements using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Recurring fair value measurements:				
Financial assets at FVTOCI				
Listed equity securities	3,056	–	–	3,056
Investment properties				
Office units – the PRC	–	–	3,000	3,000
Total	3,056	–	3,000	6,056

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4. Fair value measurements (cont’d)

(b) Reconciliation of assets measured at fair value based on level 3

	<u>Investment properties</u>	
	30 September <u>2024</u> HK\$’000 (Audited)	31 March <u>2025</u> HK\$’000 (Unaudited)
At beginning of year / period	3,800	3,000
Total losses recognised in profit or loss*	<u>(800)</u>	<u>–</u>
At end of year / period	<u>3,000</u>	<u>3,000</u>
* Includes losses for assets held at end of year / period	<u>(800)</u>	<u>–</u>

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements as at 31 March 2025

The Group’s chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors (the “Board”) for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Key unobservable inputs used in level 3 fair value measurements are mainly:

- Time difference (estimated based on valuation experts’ in-house database)
- Size difference (estimated based on actual data)
- Market quote adjustment factor (estimated based on valuation experts’ in-house database)
- Market yield (estimated based on valuation experts’ in-house database)
- Floor level difference (estimated based on valuation experts’ in-house database)
- Location difference (estimated based on valuation experts’ in-house database).

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4. Fair value measurements (cont'd)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements as at 31 March 2025 (cont'd)

Level 3 fair value measurements

<u>Description</u>	<u>Valuation technique</u>	<u>Unobservable inputs</u>	<u>Range</u>	Effect on fair value for increase of inputs	Fair value	
					30 September 2024 HK\$'000 (Audited)	31 March 2025 HK\$'000 (Unaudited)
Office units located in the PRC	Income approach	Time difference	Year ended 30 September 2024: -0.6% to 0%; Six-month period ended 31 March 2025: -0.2% to 0.7%	Increase	3,000	3,000
		Size difference	Year ended 30 September 2024: -7.1% to -5.6%; Six-month period ended 31 March 2025: -7.1% to -4.4%	Increase		
		Market quote adjustment factor	Year ended 30 September 2024: -20%; Six-month period ended 31 March 2025: -20%	Increase		
		Market yield	Year ended 30 September 2024: 5.1% to 5.9%; Six-month period ended 31 March 2025: 5.5% to 6.4%	Decrease		
		Floor level difference	Year ended 30 September 2024: -3% to 3%; Six-month period ended 31 March 2025: -3% to 3%	Increase		
		Location difference	Year ended 30 September 2024: 0%; Six-month period ended 31 March 2025: -3% to 0%	Increase		

During the year ended 30 September 2024 and the six-month period ended 31 March 2025, there were no significant changes in the valuation techniques used.

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5. Revenue and segment information

Operating segment information

The Group has only one operating and reportable segment. Management determines the operating segment based on the information reported to the Group’s chief operating decision makers (“CODMs”) (i.e. the Executive Directors). The CODMs assess the operating performance and allocate the resources of the Group as a whole as the Group is principally engaged in manufacturing and selling of adhesives, primers, hardeners and vulcanised shoes adhesive related products used by the footwear manufacturers.

No analysis of segment assets and liabilities is presented because the CODMs do not base on such analysis for resource allocation and performance assessment.

	Six-month period ended 31 March	
	<u>2024</u> HK\$’000 (Unaudited)	<u>2025</u> HK\$’000 (Unaudited)
Revenue from contracts with customers <u>within the scope of IFRS 15</u>		
Sales of goods	332,498	409,306

The Group derives revenue from the transfer of goods at a point in time in the following geographical locations.

	Six-month period ended 31 March	
	<u>2024</u> HK\$’000 (Unaudited)	<u>2025</u> HK\$’000 (Unaudited)
Revenue		
– The PRC	50,011	50,837
– The Socialist Republic of Vietnam (“Vietnam”)	202,594	235,347
– The Republic of Indonesia (“Indonesia”)	42,540	65,204
– The People’s Republic of Bangladesh	37,353	54,239
– The Republic of India (“India”)	–	3,679
	332,498	409,306

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5. Revenue and segment information (cont’d)

An analysis of the Group’s non-current assets (excluding financial assets at FVTOCI) by their geographical locations is as follows:

	30 September <u>2024</u> HK\$’000 (Audited)	31 March <u>2024</u> HK\$’000 (Unaudited)
The PRC	33,624	31,254
Macau	8,178	13,736
Vietnam	55,134	53,045
Indonesia	74,309	94,562
Others	2,335	1,854
	<u>173,580</u>	<u>194,451</u>

6. Other income

	Six-month period ended 31 March	
	<u>2024</u> HK\$’000 (Unaudited)	<u>2025</u> HK\$’000 (Unaudited)
Interest income on bank deposits	5,009	3,066
Interest income on certificates of deposits	154	–
Interest income on debt instruments at FVTOCI	15	–
Dividend income from equity instruments at FVTOCI	15	279
Income from sale of scrap materials	271	398
Government grants	241	374
Gross rental income from investment properties	341	342
Others	41	872
	<u>6,087</u>	<u>5,331</u>

7. Other gains and losses, net

	Six-month period ended 31 March	
	<u>2024</u> HK\$’000 (Unaudited)	<u>2025</u> HK\$’000 (Unaudited)
Exchange gains, net	936	5,901
Loss on disposal of debt instruments at FVTOCI	(40)	–
Others	–	(20)
	<u>896</u>	<u>5,881</u>

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8. Finance costs

	Six-month period ended 31 March	
	<u>2024</u> HK\$'000 (Unaudited)	<u>2025</u> HK\$'000 (Unaudited)
Interest on lease liabilities	59	104
Interest on bank loans	1,298	830
	<u>1,357</u>	<u>934</u>

9. Income tax expense

	Six-month period ended 31 March	
	<u>2024</u> HK\$'000 (Unaudited)	<u>2025</u> HK\$'000 (Unaudited)
Current tax		
Provision for the period		
- PRC Enterprise Income Tax (“PRC EIT”)	190	785
- Macau Complementary Tax	6,096	7,998
- Vietnam Enterprise Income Tax (“Vietnam EIT”)	1,278	3,430
- Indonesian Corporate Income Tax (“Indonesian CIT”)	1,224	3,083
	<u>8,788</u>	<u>15,296</u>
Over adjustments in respect of prior periods		
- Macau Complementary Tax	(226)	(2,168)
- Vietnam EIT	(354)	(348)
	<u>(580)</u>	<u>(2,516)</u>
	<u>8,208</u>	<u>12,780</u>
Deferred tax expenses	1,470	311
	<u>9,678</u>	<u>13,091</u>

PRC EIT, Macau Complementary Tax, Vietnam EIT, Indonesian CIT, Singapore Corporate Income Tax (“Singapore CIT”), India Corporate Income Tax (“India CIT”) and Taiwan Corporate Income Tax (“Taiwan CIT”) are calculated at the applicable rates in accordance with the relevant laws and regulations in the respective jurisdictions.

Except for the concessionary PRC EIT rate applicable to a subsidiary of the Company in the PRC as described below, other subsidiaries in the PRC are subject to PRC EIT at a rate of 25% for the six-month periods ended 31 March 2024 and 31 March 2025. No provision for PRC EIT has been made as other subsidiaries in the PRC have no assessable profits during the six-month periods ended 31 March 2024 and 31 March 2025.

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9. Income tax expense (cont’d)

Pursuant to the relevant laws and regulations in the PRC, Zhuhai Centresin Chemical Product Company Limited (“Zhuhai Centresin”), a subsidiary of the Company in the PRC, is recognised as a High and New Technology Enterprise by the relevant PRC government authorities and Zhuhai Centresin was therefore entitled to enjoy a concessionary PRC EIT rate of 15% for the six-month periods ended 31 March 2024 and 31 March 2025. Provision of PRC EIT of Zhuhai Centresin for the six-month period ended 31 March 2024 was based on the assessable profits for the period less tax losses brought forward.

Pursuant to the relevant laws and regulations in Macau, entities are divided into Group A (“Group A”) and Group B (“Group B”) taxpayers. Group A taxpayers are companies that have maintained proper accounting books and records, with capital of Macanese Pataca (“MOP”) 1,000,000 and above or average assessed annual taxable profits in the past 3 years of more than MOP1,000,000. Group B taxpayers are those who do not meet the criteria mentioned above. Group A taxpayers are assessed based on their actual taxable profits and Group B taxpayers are assessed based on deemed profits ascertained by the Macau Finance Bureau. The Group has Group A and Group B taxpayers. Macau Complementary Tax for Group A taxpayers and Group B taxpayers is calculated at a rate of 12% for the six-month periods ended 31 March 2024 and 31 March 2025 on the actual taxable profits above MOP600,000, and 12% for the six-month periods ended 31 March 2024 and 31 March 2025 on the assessable profits above MOP600,000 during the six-month periods ended 31 March 2024 and 31 March 2025, respectively.

Pursuant to the relevant laws and regulations in Vietnam, subsidiaries of the Company in Vietnam are subject to Vietnam EIT at 20% for the six-month periods ended 31 March 2024 and 31 March 2025.

Pursuant to the relevant laws and regulations in Indonesia, subsidiaries of the Company in Indonesia are subject to Indonesia CIT at 22% for the six-month periods ended 31 March 2024 and 31 March 2025.

Pursuant to the relevant laws and regulations in Singapore, Zhong Bu Development Singapore Pte. Ltd. (“Zhong Bu Singapore”), a subsidiary of the Company in Singapore, is subject to Singapore CIT at 17% for the six-month periods ended 31 March 2024 and 31 March 2025. No provision for Singapore CIT has been made as Zhong Bu Singapore has no assessable profits during the six-month periods ended 31 March 2024 and 2025.

Pursuant to the relevant laws and regulations in India, Zhong Bu Development India Private Ltd. (“Zhong Bu India”), a subsidiary of the Company in India, is subject to India CIT at 25% during the six-month period ended 31 March 2025. No provision for India CIT has been made as Zhong Bu India has no assessable profits during the six-month period ended 31 March 2025.

Pursuant to the relevant laws and regulations in Taiwan, Zhong Bu Development Taiwan Co., Ltd. (“Zhong Bu Taiwan”), a subsidiary of the Company in Taiwan, is subject to Taiwan CIT at 20% on the assessable profits above New Taiwan Dollar 120,000 during the six-month period ended 31 March 2025. No provision for Taiwan CIT has been made as Zhong Bu Taiwan has no assessable profits during the six-month period ended 31 March 2025.

No provision for Hong Kong Profits Tax has been made as the Group’s income neither arises in nor is derived from Hong Kong during the six-month periods ended 31 March 2025 and 2024.

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10. Profit for the period attributable to owners of the Company

The Group’s profit for the period is stated after charging the following:

	Six-month period ended 31 March	
	<u>2024</u> HK\$’000 (Unaudited)	<u>2025</u> HK\$’000 (Unaudited)
Allowance for trade, bills and other receivables	5,000	3,000
Allowances for inventories (included in cost of goods sold)	7,786	7,695
Depreciation of property, plant and equipment	5,804	5,630
Depreciation of right-of-use assets	1,826	1,535
Property, plant and equipment written off	–	366
Loss on disposal of debt instruments at FVTOCI	40	–
Short-term lease expenses	1,968	1,876
	<u>1,968</u>	<u>1,876</u>

11. Employee benefits expense

	Six-month period ended 31 March	
	<u>2024</u> HK\$’000 (Unaudited)	<u>2025</u> HK\$’000 (Unaudited)
Employee benefits expense (excluding Directors’ emoluments):		
Salaries, bonuses and allowances	44,551	57,109
Contributions to defined contribution plans	3,669	4,099
	<u>48,220</u>	<u>61,208</u>

The details of remuneration of key management personnel were as follows:

	Six-month period ended 31 March	
	<u>2024</u> HK\$’000 (Unaudited)	<u>2025</u> HK\$’000 (Unaudited)
Directors’ emoluments		
Fee, salaries and other benefits	9,952	6,767
Retirement benefit scheme contributions	408	408
	<u>10,360</u>	<u>7,175</u>
Remuneration of key management personnel		
Salaries and other benefits	2,944	1,902
Retirement benefit scheme contributions	76	65
	<u>3,020</u>	<u>1,967</u>
	<u>13,380</u>	<u>9,142</u>

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12. Dividends

	Six-month period ended 31 March	
	<u>2024</u> HK\$'000 (Unaudited)	<u>2025</u> HK\$'000 (Unaudited)
Final dividend for the year ended 30 September 2023 approved and paid: HK3.3 cents per ordinary share; year ended 30 September 2024 approved and paid: HK5.4 cents per ordinary share	18,590	30,421
Special dividend for the year ended 30 September 2023 approved and paid: HK0.8 cents per ordinary share; year ended 30 September 2024: Nil	4,507	–
	<u>23,097</u>	<u>30,421</u>

At the Board meeting held on 28 May 2025, the Board declared an interim dividend of HK5.1 cents (six-month period ended 31 March 2024: HK3.6 cents) per ordinary share totalling approximately HK\$28,731,000 (six-month period ended 31 March 2024: HK\$20,281,000) for the six-month period ended 31 March 2025.

13. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the following:

	Six-month period ended 31 March	
	<u>2024</u> HK\$'000 (Unaudited)	<u>2025</u> HK\$'000 (Unaudited)
Earnings		
Profit for the purpose of calculating basic earnings per share	<u>40,991</u>	<u>56,609</u>
Number of shares		
Weighted average number of pre-placement ordinary shares* for the purpose of calculating basic earnings per share	<u>281,676</u>	<u>281,676</u>

* Adjusted for the share consolidation as disclosed in Note 30.

(b) Diluted earnings per share

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the six-month periods ended 31 March 2024 and 31 March 2025.

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14. Property, plant and equipment

	Leasehold land and buildings HK\$'000	Furniture, fixtures and equipment HK\$'000	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Plant and machinery HK\$'000	Construction in progress HK\$'000	Total HK\$'000
<u>Cost:</u>							
At 1 October 2023 (Unaudited)	62,445	10,846	7,731	5,817	91,574	4,169	182,582
Additions	–	360	–	–	344	19,836	20,540
Transfers	1,481	224	–	–	4,078	(5,783)	–
Written off	–	(294)	–	(8)	(10)	–	(312)
Exchange difference	791	164	80	26	911	764	2,736
At 30 September 2024 (Audited)	64,717	11,300	7,811	5,835	96,897	18,986	205,546
Additions	–	106	–	11	623	3,150	3,890
Transfers	–	–	–	–	1,378	(1,378)	–
Written off	–	–	(645)	–	–	–	(645)
Exchange difference	(2,079)	(300)	(67)	(58)	(2,907)	84	(5,327)
At 31 March 2025 (Unaudited)	62,638	11,106	7,099	5,788	95,991	20,842	203,464
<u>Accumulated depreciation:</u>							
At 1 October 2023 (Unaudited)	27,875	9,289	6,845	5,454	59,230	–	108,693
Charge for the year	2,929	419	481	179	7,485	–	11,493
Written off	–	(293)	–	(8)	(9)	–	(310)
Exchange difference	459	148	49	25	689	–	1,370
At 30 September 2024 (Audited)	31,263	9,563	7,375	5,650	67,395	–	121,246
Charge for the period	1,304	61	2	74	4,189	–	5,630
Written off	–	–	(279)	–	–	–	(279)
Exchange difference	(852)	(588)	(49)	(30)	(1,177)	–	(2,696)
At 31 March 2025 (Unaudited)	31,715	9,036	7,049	5,694	70,407	–	123,901
<u>Carrying amount:</u>							
At 30 September 2024 (Audited)	33,454	1,737	436	185	29,502	18,986	84,300
At 31 March 2025 (Unaudited)	30,923	2,070	50	94	25,584	20,842	79,563

14A. Deposits for acquisition of property, plant and equipment

These relate to payments made for the construction of a new manufacturing plant in Indonesia.

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15. Right-of-use assets

	Leasehold land HK\$'000	Leased properties HK\$'000	Total HK\$'000
At 1 October 2023 (Unaudited)	35,302	2,570	37,872
Additions	989	3,448	4,437
Depreciation for the year	(1,497)	(2,007)	(3,504)
Exchange difference	528	88	616
At 30 September 2024 (Audited)	35,322	4,099	39,421
Additions	–	6,327	6,327
Depreciation for the period	(737)	(1,055)	(1,792)
Termination of a lease contract	–	(560)	(560)
Exchange difference	(1,507)	(1,048)	(2,555)
At 31 March 2025 (Unaudited)	<u>33,078</u>	<u>7,763</u>	<u>40,841</u>

16. Intangible assets

	Software HK\$'000	Club memberships HK\$'000	Formula rights HK\$'000	Total HK\$'000
<u>Cost:</u>				
At 1 October 2023 (Unaudited)	4,559	2,597	1,600	8,756
Exchange difference	112	(1)	–	111
At 30 September 2024 (Audited)	4,671	2,596	1,600	8,867
Exchange difference	(111)	(54)	–	(165)
At 31 March 2025 (Unaudited)	<u>4,560</u>	<u>2,542</u>	<u>1,600</u>	<u>8,702</u>
<u>Accumulated depreciation:</u>				
At 1 October 2023 (Unaudited)	–	894	1,600	2,494
Amortisation	690	41	–	731
Exchange difference	11	(1)	–	10
At 30 September 2024 (Audited)	701	934	1,600	3,235
Amortisation	213	15	–	228
Exchange difference	(2)	(5)	–	(7)
At 31 March 2025 (Unaudited)	<u>912</u>	<u>944</u>	<u>1,600</u>	<u>3,456</u>
<u>Carrying amount:</u>				
At 30 September 2024 (Audited)	<u>3,970</u>	<u>1,662</u>	<u>–</u>	<u>5,632</u>
At 31 March 2025 (Unaudited)	<u>3,648</u>	<u>1,598</u>	<u>–</u>	<u>5,246</u>

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17. Investments in associates

	30 September <u>2024</u> HK\$'000 (Audited)	31 March <u>2025</u> HK\$'000 (Unaudited)
Unlisted investments:		
Share of net assets	11,770	11,620
Goodwill	1	1
	<u>11,771</u>	<u>11,621</u>
Accumulated impairment losses	(2,500)	(2,500)
	<u>9,271</u>	<u>9,121</u>

There are no changes to the associates held by the Group as at 31 March 2025 as compared to 30 September 2024.

18. Financial assets at FVTOCI

	30 September <u>2024</u> HK\$'000 (Audited)	31 March <u>2025</u> HK\$'000 (Unaudited)
Listed investments, at fair value:		
Equity securities	<u>2,777</u>	<u>3,056</u>

The fair values of listed equity securities are based on current bid prices.

19. Inventories

	30 September <u>2024</u> HK\$'000 (Audited)	31 March <u>2025</u> HK\$'000 (Unaudited)
Raw materials	53,380	57,308
Finished goods	18,079	17,634
	<u>71,459</u>	<u>74,942</u>

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20. Trade, bills and other receivables

	30 September 2024 HK\$'000 (Audited)	31 March 2025 HK\$'000 (Unaudited)
Trade receivables	221,094	205,365
Bill receivables	11,805	10,536
Allowances for doubtful debts	<u>(22,814)</u>	<u>(25,814)</u>
	210,085	190,087
Value-added tax recoverable	1,238	1,792
Other receivables, net of loss allowance	3,309	2,872
Prepayments and deposits	<u>3,691</u>	<u>9,440</u>
	<u>218,323</u>	<u>204,191</u>
Movement in the loss allowances for trade and bills receivables are as follows:		
At beginning of year / period	17,814	22,814
Net impairment losses recognised for the year / period	<u>5,000</u>	<u>3,000</u>
At end of year / period	<u>22,814</u>	<u>25,814</u>
Movement in the loss allowances for other receivables are as follows:		
At beginning of year / period	4,327	4,419
Exchange difference	<u>92</u>	<u>(91)</u>
At end of year / period	<u>4,419</u>	<u>4,328</u>

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days.

The ageing analysis of trade and bills receivables, based on the invoice date, and net of allowances, is as follows:

	30 September 2024 HK\$'000 (Audited)	31 March 2025 HK\$'000 (Unaudited)
0 to 90 days	186,455	154,793
91 to 180 days	22,438	33,426
181 to 365 days	<u>1,192</u>	<u>1,868</u>
	<u>210,085</u>	<u>190,087</u>

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21. Debt instruments at amortised cost

	30 September <u>2024</u> HK\$'000 (Audited)	31 March <u>2025</u> HK\$'000 (Unaudited)
Certificates of deposit	10,023	13,360

22. Restricted bank deposits and bank and cash balances

	30 September <u>2024</u> HK\$'000 (Audited)	31 March <u>2025</u> HK\$'000 (Unaudited)
Restricted bank deposits (Note (a))	21,382	21,461
Time deposits with maturities of over three months but less than one year	15,304	2,789
Cash and cash equivalents	306,581	318,939
	343,267	343,189

Note:

- (a) The Group’s restricted bank deposits mainly represented deposits pledged to bank to secure banking facilities granted to the Group as set out in note 23 and note 25 to the unaudited interim condensed consolidated financial statements.

23. Trade, bills and other payables

	30 September <u>2024</u> HK\$'000 (Audited)	31 March <u>2025</u> HK\$'000 (Unaudited)
Trade payables	48,085	39,093
Bill payables – secured (Note (a))	7,457	4,917
	55,542	44,010
Amount due to an associate (Note (b))	2,090	2,090
Accruals	94,391	111,224
	152,023	157,324

Notes:

- (a) The balance are secured by (i) restricted bank deposits of the Group (note 22); and (ii) a corporate guarantee executed by the Company.
- (b) Amount due to an associate is of non-trade nature, unsecured, interest-free and repayable on demand.

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23. Trade, bills and other payables (cont’d)

The ageing analysis of trade and bills payables, based on the date of receipt of goods, is as follows:

	30 September 2024 HK\$’000 (Audited)	31 March 2025 HK\$’000 (Unaudited)
0 to 90 days	55,516	43,710
Over 91 days	26	300
	<u>55,542</u>	<u>44,010</u>

24. Lease liabilities

	<u>Minimum lease payments</u>		<u>Present value of minimum lease payments</u>	
	30 September 2024 HK\$’000 (Audited)	31 March 2025 HK\$’000 (Unaudited)	30 September 2024 HK\$’000 (Audited)	31 March 2025 HK\$’000 (Unaudited)
Within one year	1,896	3,045	1,739	2,867
In the second to fifth years, inclusive	2,926	5,291	2,732	5,110
	4,822	8,336	4,471	7,977
Less: Future finance charges	(351)	(359)	-	-
Present value of lease obligations	<u>4,471</u>	<u>7,977</u>	4,471	7,977
Less: Amount due for settlement within 12 months (shown under current liabilities)			(1,739)	(2,867)
Amount due for settlement after 12 months			<u>2,732</u>	<u>5,110</u>

25. Bank loans

	30 September 2024 HK\$’000 (Audited)	31 March 2025 HK\$’000 (Unaudited)
Bank loans	<u>39,000</u>	<u>31,000</u>

The bank loans are repayable within one year or on demand.

As at 30 September 2024 and 31 March 2025, the Group’s banking facilities are secured by (i) restricted bank deposits (note 22); and (ii) a corporate guarantee executed by the Company.

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26. Deferred tax liabilities

The following are the deferred tax liabilities recognised by the Group.

	Undistributed profits of <u>subsidiaries</u> HK\$'000	Undistributed profits of <u>associates</u> HK\$'000	Revaluation surplus of investment <u>properties</u> HK\$'000	<u>Total</u> HK\$'000
At 1 October 2023 (Unaudited)	5,661	–	400	6,061
Charge for the year (note 9)	1,791	150	–	1,941
At 30 September 2024 (Audited)	7,452	150	400	8,002
Charge for the period (note 9)	311	–	–	311
At 31 March 2025 (Unaudited)	<u>7,763</u>	<u>150</u>	<u>400</u>	<u>8,313</u>

27. Share capital

	Number of <u>shares issued</u>	<u>Share capital</u> HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 October 2023 (Unaudited), 30 September 2024 (Audited), and 31 March 2025 (Unaudited)	<u>5,000,000,000</u>	<u>50,000</u>
Issued and fully paid:		
At 1 October 2023 (Unaudited), 30 September 2024 (Audited), and 31 March 2025 (Unaudited)	<u>563,351,076</u>	<u>5,634</u>

Also see note 30(b).

28. Notes to the interim condensed consolidated statement of cash flows

Reconciliation of liabilities arising from financing activities

	Unaudited							At 31 March 2024 HK\$'000
	At 1 October 2023 HK\$'000	Net cash flows HK\$'000	Interest <u>expenses</u> HK\$'000	<u>Termination</u> HK\$'000	Prior year interest expenses included in other <u>payables</u> HK\$'000	Settlement of interest payable in other <u>payables</u> HK\$'000	Exchange <u>difference</u> HK\$'000	
Bank loans	85,000	(23,000)	1,298	–	54	(1,352)	–	62,000
Lease liabilities	4,258	(1,718)	59	(560)	–	–	512	2,551
	<u>89,258</u>	<u>(24,718)</u>	<u>1,357</u>	<u>(560)</u>	<u>54</u>	<u>(1,352)</u>	<u>512</u>	<u>64,551</u>

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28. Notes to the interim condensed consolidated statement of cash flows (cont’d)

Reconciliation of liabilities arising from financing activities (cont’d)

	<u>Unaudited</u>							
	At 1 October 2024	Net cash flows	Interest expenses	<u>Additions</u>	Termination of a lease contract	Settlement of interest payable in other payables	Exchange difference	At 31 March 2025
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Bank loans	39,000	(8,000)	830	–	–	(830)	–	31,000
Lease liabilities	4,471	(1,913)	104	6,327	(560)	–	(452)	7,977
	<u>43,471</u>	<u>(9,913)</u>	<u>934</u>	<u>6,327</u>	<u>(560)</u>	<u>(830)</u>	<u>(452)</u>	<u>38,977</u>

29. Capital Commitments

Capital commitments contracted for at the end of the reporting period but not yet incurred and provided for are as follow:

	30 September 2024 HK\$’000 (Audited)	31 March 2025 HK\$’000 (Unaudited)
Property, plant and equipment	<u>51,347</u>	<u>35,950</u>

30. Events after the reporting period

- (a) On 2 April 2025, an indirect wholly-owned subsidiary, Zhong Bu Management Limited, was incorporated in Labuan, Malaysia with a registered capital of US\$100,000.
- (b) On 25 September 2025, the Company had obtained shareholders’ approval, among others, the following:
- (i) the proposed share consolidation (whereby every two issued and unissued ordinary shares (the “Shares”) of par value of HK\$0.01 each be consolidated into one ordinary share of par value of HK\$0.02 each);
 - (ii) the proposed appointment of RSM SG Assurance LLP as the joint auditor of the Company;
 - (iii) the proposed amendment of the existing memorandum and articles of association of the Company; and
 - (iv) the proposed listing of the Shares on the Catalist Board of the Singapore Exchange Securities Trading Limited.

On 20 October 2025, the share consolidation was completed (the “Completion”). Upon the Completion, the issued and paid-up share capital of the Company remained unchanged at approximately HK\$5,634,000, comprising 281,675,538 ordinary shares with par value of HK\$0.02 per share.

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30. Events after the reporting period (cont’d)

As at the date of this report, the proposed appointment of RSM SG Assurance LLP, the proposed amendment of the existing memorandum and articles of association and the proposed listing of the Shares on the Catalist Board of the Singapore Exchange Securities Trading Limited have not yet been completed.

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

The following table sets forth a summary of certain differences between the provisions of the laws of the Cayman Islands applicable to our Company (namely, the Cayman Islands Companies Act) and the laws applicable to Singapore-incorporated companies (namely, the Singapore Companies Act) and their shareholders. The summaries below are not to be regarded as advice on Cayman Islands corporate law or the differences between it and the laws of any jurisdiction, including, without limitation, the Singapore Companies Act. The summaries below do not purport to be a comprehensive description of all of the rights and privileges of shareholders conferred by the Cayman Islands Companies Act as compared to the Singapore Companies Act that may be relevant to prospective investors. In addition, prospective investors should also note that the laws applicable to Singapore-incorporated companies and Cayman Islands exempted companies may change, whether as a result of proposed legislative reforms to the Singapore Companies Act or the Cayman Islands Companies Act, as the case may be, or otherwise. In addition, the summaries below do not describe the regulations and requirements prescribed by the SGX-ST Listing Manual.

Our Company is incorporated in the Cayman Islands as an exempted company and is therefore subject to the Cayman Islands Companies Act. Our Company’s corporate affairs are governed by our Memorandum and Articles of Association and applicable Cayman Islands laws, including Cayman Islands common law.

Cayman Islands Corporate Law	Singapore Corporate Law
Power of Directors to Allot and Issue Shares	
<p>The power to allot and issue shares in a company normally lies with the directors of the company subject to any restrictions in the memorandum and articles of association of the company. The Cayman Islands Companies Act has no statutory provisions requiring shareholders’ approval for an issue of shares by a company. There is also no requirement for the filing of returns of share issuances with the Registrar of Companies of the Cayman Islands.</p>	<p>Notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares, otherwise the share issue is void under the Singapore Companies Act. Such approval may be confined to a particular exercise of that power or may apply to the exercise of that power generally and, once given, will only continue in force until the conclusion of the annual general meeting commencing next after the date on which the approval was given or the expiration of the period within which the next annual general meeting after that date is required by law to be held, whichever is the earlier, provided that such approval has not been previously revoked or varied by the company in a general meeting.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
Power of Directors to Dispose of the Issuer’s or any of its Subsidiaries’ Assets	
<p>The Cayman Islands Companies Act contains no specific restrictions on the powers of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties, must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.</p>	<p>The Singapore Companies Act provides that the business of a company is to be managed by or under the direction or supervision of the directors. The directors may exercise all the powers of a company except any power that the Singapore Companies Act or the constitution of the company require the company to exercise in general meeting. Under the Singapore Companies Act, approval of the company at a general meeting is required before the directors can carry into effect any proposals for disposing of the whole or substantially the whole of the company’s undertaking or property notwithstanding anything in the company’s constitution.</p>
Giving of Financial Assistance to Purchase the Issuer’s or its Holding Company’s Shares	
<p>There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a Cayman Islands exempted company to another person for the purchase of, or subscription for, its own or its holding company’s shares. Accordingly, a Cayman Islands exempted company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm’s length basis.</p>	<p>Generally, a public company or a company whose holding company or ultimate holding company is a public company is prohibited from giving any financial assistance to any person directly or indirectly for the purpose of, or in connection with, the acquisition or proposed acquisition of that company’s shares or shares in its holding company or ultimate holding company.</p> <p>Financial assistance includes the making of a loan, the giving of a guarantee, the provision of security, the release of an obligation or the release of a debt or otherwise.</p>

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Cayman Islands Corporate Law	Singapore Corporate Law
	<p>Certain transactions are specifically provided by the Singapore Companies Act as transactions not to be prohibited. These include, among others: (i) a distribution of a company’s assets by way of dividends lawfully made; (ii) a distribution in the course of a company’s winding up; (iii) a payment made by a company pursuant to a reduction of capital in accordance with the Singapore Companies Act; (iv) the discharge by a company of a liability of the company that was incurred in good faith as a result of a transaction entered into on ordinary commercial terms; (v) the giving by a company in good faith and in the ordinary course of commercial dealing of any representation, warranty or indemnity in relation to an offer to the public of, or an invitation to the public to subscribe for or purchase shares in the company; and (vi) the entering into by the company, in good faith and in the ordinary course of commercial dealing, of an agreement with a subscriber for shares in the company permitting the subscriber to make payments for the shares by instalments.</p> <p>The Singapore Companies Act further provides that a company can give financial assistance in certain circumstances, including but not limited to: (a) where the amount of financial assistance, together with any other financial assistance given by the company under this exception repayment of which remains outstanding, does not exceed 10.0% of the aggregate of the total paid-up capital and reserves of the company as disclosed in the most recent financial statements of the company that comply with the requirements of the Singapore Companies Act and the company receives fair value in connection with the financial assistance; (b) where the financial assistance does not materially prejudice the interests of the company, its shareholders or the company’s ability to pay its creditors; and (c) where the company, by special resolution, resolves to give financial assistance for the purpose of, or in connection with, that acquisition, provided that certain conditions and procedures under the Singapore Companies Act are also complied with, including without limitation, where the company is a subsidiary of a listed corporation or is a subsidiary whose ultimate holding company is incorporated in Singapore, the listed corporation or the ultimate holding company, as the case may be, is also required to pass a special resolution to approve the giving of the financial assistance.</p>

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Cayman Islands Corporate Law	Singapore Corporate Law
Transactions with Interested Persons	
<p>There is no express provision in the Cayman Islands Companies Act regulating transactions with interested persons.</p>	<p>The Singapore Companies Act does not contain requirements relating to transactions with interested persons. Requirements imposed on a company listed on the Catalist under Chapter 9 of the Catalist Rules, insofar as transactions with interested persons are concerned, apply to that company regardless of whether such company is incorporated in Singapore or elsewhere.</p>
Loans to Directors	
<p>There is no express provision in the Cayman Islands Companies Act prohibiting the making of loans by a Cayman Islands exempted company to any of its directors.</p>	<p>A company (other than an exempt private company) is prohibited from, among others, (a) making a loan or quasi-loan to a director of the company or a director of a related company (a “relevant director”) (and to the spouse or natural, step or adopted children of any such director); (b) entering into any guarantee or providing any security in connection with a loan or quasi-loan to a relevant director; (c) entering into a credit transaction as creditor for the benefit of a relevant director; and (d) entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of a relevant director (the “restricted transactions”), except in the following circumstances, where a transaction which would otherwise be a restricted transaction is:</p> <ul style="list-style-type: none"> • (subject to, among others, the approval of the company in a general meeting) made to or for the benefit of a relevant director to meet expenditure incurred or to be incurred for the purposes of the company or for the purpose of enabling him to properly perform his duties as an officer of the company; • (subject to, among others, the approval of the company in a general meeting) made to or for the benefit of a relevant director who is engaged in full-time employment of the company or a related company, as the case may be, for the purpose of purchasing or otherwise acquiring a home occupied or to be occupied by that director; however, not more than one such restricted transaction may be outstanding from the director at any one time;

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Cayman Islands Corporate Law	Singapore Corporate Law
	<ul style="list-style-type: none"> • made to or for the benefit of a relevant director who is engaged in full-time employment of the company or a related company as the case may be, where the company has at a general meeting approved of a scheme for the making of such transaction to or for the benefit of employees of the company, provided that the restricted transaction is in accordance with that scheme; and • made to or for the benefit of a relevant director in the ordinary course of business by a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans, quasi-loans or credit transactions made or entered into by other persons if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Authority. <p>For these purposes, a related company of a company means its holding company, its subsidiary and a subsidiary of its holding company.</p> <p>A quasi-loan means a transaction under which one party (the “creditor”) agrees to pay, or pays otherwise than in pursuance of an agreement, a sum for another (the “borrower”) or agrees to reimburse, or reimburses otherwise than in pursuance of an agreement, expenditure incurred by another party for the borrower: (i) on terms that the borrower (or a person on his behalf) will reimburse the creditor; or (ii) in circumstances giving rise to a liability on the borrower to reimburse the creditor.</p> <p>A credit transaction means a transaction under which one party (the “creditor”): (i) supplies any goods or disposes of any immovable property under a hire-purchase agreement or a conditional sale agreement; (ii) leases or hires any immovable property or goods in return for periodic payments; or (iii) otherwise disposes of immovable property or supplies goods or services on the understanding that payment (whether in a lump sum or instalments or by way of periodic payments or otherwise) is to be deferred.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
	<p>A company (the “first mentioned company”) (other than an exempt private company) is also prohibited from, among others, (a) making a loan or quasi-loan to persons connected with directors of the first mentioned company; (b) entering into any guarantee or providing any security in connection with a loan or quasi-loan made to persons connected with directors of the first mentioned company by a person other than the first mentioned company; (c) entering into a credit transaction as creditor for the benefit of persons connected with directors of the first mentioned company; and (d) entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of persons connected with directors of the first mentioned company. Persons connected to the first mentioned company include companies, limited liability partnerships or variable capital companies (as the case may be) in which the director(s) of the first mentioned company (and the spouse, natural step and adopted children of such director(s)), individually or collectively, have an interest in 20.0% or more of the total voting rights (as determined in accordance with the Singapore Companies Act) unless there is prior approval by the company in general meeting for the making of, provision for or entering into the loan, quasi-loan, credit transaction, guarantee or security (as the case may be) at which the interested director(s) and his or their family members abstained from voting. This prohibition does not apply to:</p> <ul style="list-style-type: none"> • anything done by a company where the other company (whether incorporated in Singapore or otherwise) or variable capital company is its subsidiary, holding company or a subsidiary of its holding company; or • a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done by the company in the ordinary course of that business if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Authority.

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
Transactions Affecting Share Capital	
<p>The Cayman Islands Companies Act contains provisions relating to the reduction of share capital, and the redemption and repurchase of shares. These procedures are also regulated by any provisions relating thereto in the company’s memorandum and articles of association.</p>	<p>The Singapore Companies Act contains provisions relating to share capital reductions, permitted share buy-backs and redeemable preference shares.</p>
Mergers and Similar Arrangements	
<p>The Cayman Islands Companies Act contains statutory provisions which facilitate reconstructions and arrangements approved by (a) 75.0% in value of shareholders (or class of shareholders) or (b) a majority in number representing 75.0% in value of creditors (or class of creditors), as the case may be, as are present and voting either in person or by proxy at a meeting called for such purpose and thereafter sanctioned by the court.</p> <p>In addition, the Cayman Islands Companies Act provides a mechanism for mergers and consolidations between Cayman Islands companies as well as between Cayman Islands companies and foreign companies without the need for a court order. A written plan of merger or consolidation has to be authorised by each constituent company by way of a special resolution of the members of each such constituent company and such other authorisation, if any, as may be specified in such constituent company’s articles of association. The plan must be filed with the Registrar of Companies of the Cayman Islands together with, among others, a declaration as to the solvency of the constituent company and the consolidated or surviving company.</p> <p>The Cayman Islands Companies Act provides that a shareholder of a constituent company incorporated under the Cayman Islands Companies Act shall be entitled to payment of the fair value of that person’s shares upon dissenting from a merger or consolidation.</p>	<p>The Singapore Companies Act provides that the Singapore Courts have the authority, in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and where under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (the “transferor company”) is to be transferred to another company (the “transferee company”), to order the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of the transferor company. Such power only exists in relation to any corporation liable to be wound up under the Insolvency, Restructuring and Dissolution Act 2018 of Singapore.</p> <p>The Singapore Companies Act further provides for a voluntary amalgamation process without the need for a court order. Under this voluntary amalgamation process, two or more Singapore-incorporated companies may amalgamate and continue as one company, which may be one of the amalgamating companies or a new company, in accordance with the procedures set out in the Singapore Companies Act. As part of these procedures, the board of directors of each of the amalgamating companies must make a solvency statement in relation to both the amalgamating company and the amalgamated company.</p> <p>The Singapore Companies Act also provides for a more simplified form of amalgamation procedure for (a) the amalgamation of a Singapore-incorporated company with one or more of its wholly owned subsidiaries; and (b) two or more wholly owned Singapore-incorporated subsidiary companies of the same corporation.</p> <p>The Singapore Companies Act does not provide for appraisal rights to the shareholders of a company in connection with a merger.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
Remuneration	
<p>There is no provision in the Cayman Islands Companies Act regulating remuneration for directors.</p>	<p>The Singapore Companies Act provides that a company shall not at any meeting or otherwise provide emoluments or improve emoluments for a director in respect of his office as such unless the provision has been approved by a resolution that is not related to other matters, and any resolution passed in breach of this provision is void. For this purpose, the term “emoluments” in relation to a director includes fees and percentages, any sums paid by way of expenses allowance in so far as those sums are charged to income tax in Singapore, any contribution paid in respect of a director under any pension scheme, and any benefits received by him otherwise than in cash in respect of his services as a director.</p>
Disclosure of Interest in Contracts with the Company	
<p>There is no provision under the Cayman Islands Companies Act relating to directors in a position of conflict of interest. The common law principle under Cayman Islands law that a director must not put himself in a position of conflict between his personal interest and his duty to the company will apply to the directors of a Cayman Islands exempted company.</p>	<p>The Singapore Companies Act provides that, where a director or chief executive officer of a company is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with that company, such a director or chief executive officer must, as soon as practicable after the relevant facts have come to his knowledge, (a) declare the nature of his interest at a meeting of the directors of the company; or (b) send a written notice to the company containing details on the nature, character and extent of his interest in the transaction or proposed transaction with the company. The Singapore Companies Act also provides that every director and chief executive officer of a company who holds any office or possesses any property whereby whether directly or indirectly, any duty or interest might be created in conflict with their duties or interests as director or chief executive officer shall (i) declare at a meeting of the directors of the company the fact and the nature, character and extent of the conflict; or (ii) send a written notice to the company setting out the fact and the nature, character and extent of the conflict. For these purposes, an interest of a member of a director’s or chief executive officer’s family (this includes his or her spouse, natural, step or adopted children) is treated as an interest of that director or chief executive officer.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
Appointment, Qualification, Retirement, Resignation and Removal of Directors	
(a) Number, Qualification and Appointment of Directors	
<p>There must be at least one director of a Cayman Islands exempted company. There is no requirement that any of the directors be ordinarily resident in the Cayman Islands.</p> <p>The initial director (s) is (are) appointed by the subscriber (s) to the memorandum of association. Thereafter, the addition and/or removal of directors will normally be effected in accordance with the provisions of the company's articles of association.</p> <p>The names and addresses of the directors and officers of a company must be entered in a register of directors and officers and kept at the registered office of the company. A copy of the register and notice of any amendments must be filed with the Registrar of Companies in the Cayman Islands. A list of the names of the then current directors of a Cayman Islands exempted company can be inspected at the offices of the Cayman Islands Registrar of Companies, but the register of directors and officers is not a public document.</p> <p>The Cayman Islands Companies Act does not contain provisions on the retirement age of directors.</p>	<p>Under the Singapore Companies Act, every company must have at least one director who is ordinarily resident in Singapore. Where the company has only one member, that sole director may also be the sole member of the company.</p> <p>No person other than a natural person who has attained the age of 18 and who is otherwise of full legal capacity shall be a director of a company.</p> <p>Every director, who is by the constitution of the company required to hold a specified share qualification and who is not already qualified, must obtain his qualification within two months after his appointment or such shorter period as is fixed by the constitution.</p> <p>In the case of a public company, the appointment of directors at a general meeting must generally be voted on individually. A motion for the appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution passed in pursuance of a motion made in contravention of this shall be void, whether or not it being so moved was objected to at the time.</p> <p>The Singapore Companies Act does not contain provisions on the age limit of directors.</p>
(b) Disqualification of Directors	
<p>The Cayman Islands Companies Act does not contain provisions on disqualification of directors. The circumstances under which a person is disqualified from acting as a director will be as provided in the company's articles of association.</p>	<p>Under the Singapore Companies Act, a person may not act as a director of, or directly or indirectly take part in or be concerned in the management of any corporation if he is an undischarged bankrupt unless he has the leave of the Singapore Courts or the written permission of the Official Assignee appointed under the Insolvency, Restructuring and Dissolution Act 2018 to do so.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
	<p>A person may be disqualified from acting as a director of a company by the Singapore Courts for a period not exceeding five years if: (a) he is or has been a director of a company which has at any time gone into liquidation (whether while he was a director or within three years of his ceasing to be a director) and was insolvent at that time; and (b) his conduct as director of that company either taken alone or taken together with his conduct as a director of any other company or companies makes him unfit to be a director of or in any way, whether directly or indirectly, be concerned in, or take part in, the management of a company.</p> <p>A person may, subject to certain exceptions, also be disqualified from acting as a director by the Singapore Courts for a period of three years from the date of the making of the winding up order if he is a director of a company which is ordered to be wound up by the Singapore Courts on the ground that it is being used for purposes against national security or interest.</p> <p>He could also be disqualified on other grounds, such as conviction of any offence (whether in Singapore or elsewhere) involving fraud or dishonesty which is punishable with imprisonment for three months or more, or any offence under Part 12 of the SFA or where he is subject to the imposition of a civil penalty under Section 232 of the SFA. The Singapore Courts may also make a disqualification order against (i) a person who is convicted in Singapore of any offence in connection with the formation or management of a corporation; (ii) a person who has made improper use of his or her position as an officer of the company to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the company; (iii) where the person is found in default of keeping proper books of account of the company were not kept since two years from the commencement of the investigation, or from the period between the incorporation of the company and the commencement of the investigation, whichever is shorter; and (iv) where the person is found personally responsible for wrongful trading of the company.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
	<p>A director may also be disqualified because of persistent default in relation to delivery of documents to the Registrar of Companies.</p> <p>A person could be the subject of a debarment order made against him by the Registrar of Companies, if the Registrar of Companies is satisfied that a company of which he is a director at the time the order is made is in default of any requirement of the Singapore Companies Act. A person who has a debarment order made against him may not act as director of any company (except in respect of a company of which he was a director immediately before the order was made), and the debarment order applies from the date the order is made and continues in force until the Registrar of Companies cancels or suspends the order.</p>
(c) Resignation of Directors	
<p>The Cayman Islands Companies Act does not contain provisions on the resignation of directors.</p>	<p>Under the Singapore Companies Act, a director of a company cannot resign or vacate his office unless there is remaining in the company at least one director who is ordinarily resident in Singapore, and any purported resignation or vacation of office in breach of this provision is deemed to be invalid.</p> <p>Subject to the provisions of the Singapore Companies Act, unless the constitution of the company otherwise provides, a director's resignation is effective by giving written notice to the company, and his resignation is not conditional upon the company's acceptance of such resignation.</p>
(d) Removal of Directors	
<p>The Cayman Islands Companies Act does not contain provisions on the removal of directors. The removal of directors will normally be effected in accordance with the provisions of the company's articles of association.</p>	<p>A director of a public company may be removed before the expiration of his period of office by an ordinary resolution (which requires special notice of not less than 28 days before the meeting to be given in accordance with the provisions of the Singapore Companies Act) of the shareholders, notwithstanding anything in the constitution of that company or in any agreement between that company and the director, but where any director so removed was appointed to represent the interests of any particular class of shareholders or debenture holders, the resolution to remove him shall not take effect until his successor has been appointed.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
	Subject to the provisions of the Singapore Companies Act, the constitution of a company may prescribe the manner in which a director may be removed from office before the expiration of his term of office.
Alteration Of Governing Documents	
(a) Alteration of Constitution, Memorandum of Association or Articles of Association	
<p>The Cayman Islands Companies Act provides that a Cayman Islands exempted company may, by special resolution of its shareholders, alter its memorandum of association with respect to any of the objects, powers or other matters specified therein. The amended memorandum of association and a copy of the special resolution must be filed with the Registrar of Companies in the Cayman Islands.</p>	<p>Unless otherwise provided in the Singapore Companies Act, a company’s constitution may be altered by way of special resolution, except that any entrenching provision in the constitution and any provision contained in the constitution before 1 April 2004 which could not be altered before that date may be removed or altered only if all members of the company agree.</p> <p>For these purposes, the term “entrenching provision” means a provision of the constitution of a company to the effect that other specified provisions of the constitution: (a) may not be altered in the manner provided by the Singapore Companies Act; or (b) may not be so altered except by a resolution passed by a specified majority greater than 75.0%, or where other specified conditions are met.</p> <p>Unless otherwise provided in the Singapore Companies Act, any alteration to the constitution of the company takes effect on and from the date of the special resolution approving such alteration or such later date as is specified in the resolution.</p> <p>Subject to Section 33 of the Singapore Companies Act, a company may by special resolution alter the provisions of its constitution with respect to the objects of the company, if any. Where a company proposes to alter its constitution, with respect to the objects, it shall give 21 days’ written notice by post or by electronic communications in accordance with the provisions of Singapore Companies Act, specifying the intention to propose the resolution as a special resolution and to submit it for passing at a meeting of the company to be held on a day specified in the notice.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
	Notwithstanding any other provision of the Singapore Companies Act, a copy of the resolution altering the objects of a company shall not be lodged with the Registrar, before the expiration of 21 days after the passing of the resolution, and a copy of the resolution shall be lodged with the Registrar within 14 days thereafter, on compliance with which the alteration, if any, of the objects shall take effect.
(b) Alteration of articles of association	
The Cayman Islands Companies Act provides that a Cayman Islands exempted company may, by special resolution of its shareholders, but subject otherwise to the memorandum of association of the company, alter or add to its articles of association. On an amendment of the articles of association, the amended version of the articles of association must be registered with the Registrar of Companies in the Cayman Islands. A copy of the special resolution must be filed with the Registrar.	The same provisions in (a) above apply.
Variation of Rights Attached to Shares	
The Cayman Islands Companies Act does not contain provisions determining the action necessary to change the rights of holders of shares. The variation of the rights attached to any class of shares is usually dealt with generally in the articles of association of a company.	Under the Singapore Companies Act, if a provision is made in the constitution of a company for authorising the variation or abrogation of the rights attached to any class of shares in the company and in pursuance of that provision such rights are at any time varied or abrogated, subject to the consent of any specified proportion of the holders of that class of shares or the sanction of a resolution passed at a separate meeting of the holders of that class of shares, the holders of not less than an aggregate of 5.0% of the total number of the issued shares of that class may apply to the Singapore Courts to have the variation or abrogation cancelled in accordance with the Singapore Companies Act. The Singapore Courts may, if satisfied, having regard to all the circumstances of the case, that the variation or abrogation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation or abrogation, and shall, if not so satisfied, confirm it and this decision shall be final.

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
Shareholders' Proposals	
<p>The Cayman Islands Companies Act provides that, in the absence of any provision in the articles of association as to the persons to summon general meetings, three members shall be competent to summon the same.</p>	<p>Under the Singapore Companies Act, (a) any number of members representing not less than 5.0% of the total voting rights of all the members having at the date of requisition a right to vote at a meeting to which the requisition relates; or (b) not less than 100 members holding shares on which there has been paid up an average sum, per member, of not less than S\$500, may requisition the company to give to members notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting, and circulate to members any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.</p> <p>Notwithstanding anything in its constitution, the directors of a company shall, on the requisition of members holding at the date of the deposit of the requisition not less than 10.0% of the total number of paid-up shares (excluding treasury Shares) as at the date of the deposit carries the right of voting at general meetings or, in the case of a company not having a share capital, of members representing not less than 10.0% of the total voting rights of all members having at that date a right to vote at general meetings, immediately proceed duly to convene an extraordinary general meeting of the company to be held as soon as practicable but in any case not later than two months after the receipt by the company of the requisition.</p> <p>If the directors do not within 21 days after the date of the deposit of the requisition proceed to convene a meeting, the requisitionists, or any of them representing more than 50.0% of the total voting rights of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by directors convene a meeting, but any meeting so convened shall not be held after the expiration of three months from that date.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
	<p>Under the Singapore Companies Act, two or more members holding not less than 10.0% of the total number of issued shares of the company (excluding treasury shares) or, if the company has not a share capital, not less than 5.0% in number of the members of the company or such lesser number as is provided by the constitution may call a meeting of the company.</p> <p>A meeting of a company or of a class of members, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than 14 days or such longer period as is provided in the constitution.</p> <p>Shorter notice can be given if, (i) in the case of an annual general meeting, all the members entitled to attend and vote thereat so agree; or (ii) in the case of any other meeting, a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than 95.0% of the total voting rights of all the members having a right to vote at that meeting so agree.</p>
Shareholders' Action by Written Consent	
<p>Certain matters are required by the Cayman Islands Companies Act to be decided by special resolution. Where so authorised by the articles of association of a company, special resolutions may be approved in writing by all of the members entitled to vote at a general meeting of the company in one or more instruments each signed by one or more of the members.</p>	<p>Notwithstanding any other provision of the Singapore Companies Act, a private company or an unlisted public company may pass any resolution by written means (save for any resolution to dispense with the holding of annual general meetings or any resolution for which special notice is required) in accordance with the provisions of the Singapore Companies Act.</p> <p>A resolution of a private company or an unlisted public company may only be passed by written means if (i) agreement to the resolution was first sought by the directors of the company; or (ii) a requisition for that resolution was first given and the documents in respect of the resolution were served on members of the company, in accordance with the Singapore Companies Act. Further, the constitution of the company must not prohibit the passing of resolutions by written means, and all conditions in the company's constitution must be met.</p> <p>There is no corresponding provision in the Singapore Companies Act which applies to a public listed company, whether listed in Singapore or elsewhere.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
Shareholders’ Suits and Protection of Minority Shareholders	
<p>In addition to following Cayman Islands case law precedents, the Cayman Islands courts would ordinarily be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal; (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company; and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.</p> <p>In the case of a company (not being a bank) having a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint one or more inspectors to examine into the affairs of the company and to report thereon in such manner as the court shall direct. The inspectors shall on the completion of their investigation report to the court. Such report is not, unless the court so directs, open to public inspection. A company also may, by special resolution, appoint inspectors for the purpose of examining into the affairs of the company. Inspectors so appointed will have the same powers and perform the same duties as inspectors appointed by the court, except that instead of making their report to the court they will report in such manner and to such persons as the company by resolution of its members directs.</p> <p>A shareholder of a company who has held shares in a company for at least six months may petition the court which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.</p>	<p>A member or a holder of a debenture of a company may apply to the Singapore Courts for an order under Section 216 of the Singapore Companies Act to remedy situations where:</p> <ul style="list-style-type: none"> • a company’s affairs are being conducted or the powers of the company’s directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the members, shareholders or holders of debentures of the company, including the applicant; or • a company has done an act, or threatens to do an act, or the members or holders of debentures have passed some resolution, or propose to pass some resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the company’s members or holders of debentures, including the applicant. <p>Singapore Courts have wide discretion as to the relief they may grant under such application, including, among others: (i) directing or prohibiting any act or cancelling or varying any transaction or resolution; (ii) providing that the company be wound up; or (iii) authorising civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the court directs.</p> <p>In addition, a member of a company who is seeking relief for damage done to the company may bring a common law derivative action in certain circumstances against the persons who have done wrong to the company.</p>

APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

Cayman Islands Corporate Law	Singapore Corporate Law
	<p>Further, Section 216A of the Singapore Companies Act prescribes a procedure to bring a statutory derivative action or arbitration in the name and on behalf of a Singapore-incorporated company or intervene in an action or arbitration to which the company is a party for the purposes of prosecuting, defending or discontinuing the action or arbitration on behalf of the company. The statutory procedure is available to a member of a company and any other person who, in the discretion of the court, is a proper person to make an application under Section 216A of the Singapore Companies Act or the Minister of Finance of Singapore, in the case of a declared company under Part 9 of the Singapore Companies Act.</p>
Winding Up	
<p>A company may be wound up: (a) compulsorily by an order of the court; (b) voluntarily by, among others, a special resolution of its members; or (c) under the supervision of the court. The court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the court, or where the company is unable to pay its debts, or where it is, in the opinion of the court, just and equitable to do so.</p>	<p>The winding up of a company may be done in the following ways under the Insolvency, Restructuring and Dissolution Act: (a) members' voluntary winding up; (b) creditors' voluntary winding up; (c) court compulsory winding up; and, under the Singapore Companies Act, an order made pursuant to Section 216(2)(f) of the Singapore Companies Act for the winding up of the company. The type of winding up depends, among others, on whether the company is solvent or insolvent.</p>
Dissolution	
<p>A company may be dissolved following: (a) voluntary winding up; or (b) winding up by the court.</p> <p>Where an application is made to the court for the sanctioning of a compromise or arrangement proposed between a company and its members or creditors and it is shown to the court that the compromise or arrangement has been proposed for the purpose of or in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme ("a transferor company") is to be transferred to another company the court, may either by the order sanctioning the compromise or arrangement or by any subsequent order make provision for, inter alia, the dissolution, without winding up, of any transferor company.</p>	<p>A company may be dissolved: (a) through the process of liquidation pursuant to the winding up of the company; (b) in a merger or amalgamation of two companies where the court may order the dissolution of one after its assets and liabilities have been transferred to the other; or (c) when it is struck off the register by the Registrar of Companies on the ground that it is a defunct company.</p>

**APPENDIX C – COMPARISON OF SELECTED CAYMAN ISLANDS CORPORATE
LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS**

Cayman Islands Corporate Law	Singapore Corporate Law
Where the Registrar of Companies has reasonable cause to believe that a company is not carrying on business or is not in operation, he may strike the company off the register and the company shall be dissolved. The company may be restored to the register up to 10 years after the strike off.	

APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY AND THE CAYMAN ISLANDS COMPANIES ACT

The discussion below provides information about certain provisions of our Memorandum and Articles of Association and the laws of the Cayman Islands. This description is only a summary and does not purport to be exhaustive and is qualified by reference to Cayman Islands company law and our Memorandum and Articles of Association. Where portions of our Memorandum and Articles of Association are reproduced below, defined terms bear the meanings ascribed to them in our Memorandum and Articles of Association. Our Memorandum and Articles of Association is a document available for inspection.

SUMMARY OF CERTAIN PROVISIONS OF THE CAYMAN ISLANDS COMPANIES ACT

Our Company was incorporated in the Cayman Islands as an exempted company on 15 December 2009 subject to the Cayman Islands Companies Act (in this Appendix D, also referred to as the “**Act**”) and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman Islands company law, but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman Islands company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

Company Operations

As an exempted company, our Company’s operations must be conducted mainly outside the Cayman Islands. Our Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of our Company’s authorised share capital.

Share Capital

Under the Cayman Islands Companies Act, a Cayman Islands company may issue ordinary shares, preference shares, redeemable shares or any combination thereof. The Cayman Islands Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the “share premium account”. At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Cayman Islands Companies Act provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) any manner provided in section 37 of the Cayman Islands Companies Act; (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Islands Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands (the “**Court**”), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution

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reduce its share capital in any way and in particular may (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; (b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or (c) either with or without extinguishing or reducing liability of any of its shares, pay off any paid-up share capital which is in excess of the needs of the company.

Limitations on Rights to Hold or Vote Shares

There are no limitations, either under Cayman Islands law or our Articles of Association, on the rights of owners of our Shares to hold or vote their Shares solely by reason that they are non-Caymanians.

Membership

Under the Cayman Islands Companies Act, only those persons who agree to become members of a Cayman Islands exempted company and whose names are entered on the register of members of such a company are considered members. Accordingly, persons holding shares through a trustee, nominee or depository will not be recognised as members of a Cayman Islands company under the Cayman Islands Companies Act and may only have the benefit of rights attaching to the shares or remedies conferred by law on members through or with the assistance of the trustee, nominee or depository.

Financial Assistance to Purchase Shares of a Company or its Holding Company

There is no statutory prohibition in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's length basis.

Purchase of Shares and Warrants by a Company and its Subsidiaries

Subject to the provisions of the Cayman Islands Companies Act, a company limited by shares, or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of the purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. Shares may be redeemed or purchased out of profits of the company, out of the share premium account or out of the proceeds of a fresh issue of shares made for the purposes of the redemption or purchase, or (subject to section 37 of the Cayman Islands Companies Act) out of capital. A payment out of

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capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares redeemed or purchased by a company shall be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the redemption or purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares; however, notwithstanding the foregoing, the company shall not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Islands Companies Act.

A Cayman Islands company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may be able to rely upon the general power contained in its memorandum and articles of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

Dividends and Distributions

With the exception of section 34 of the Cayman Islands Companies Act, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is likely to be regarded as persuasive in the Cayman Islands, dividends may be paid out of profits. In addition, section 34 of the Cayman Islands Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

Protection of Minorities

The Cayman Islands courts would ordinarily be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained. In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

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Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding-up order, the Court may make the following orders: (a) an order regulating the conduct of the company's affairs in the future; (b) an order requiring the company to refrain from doing or continuing an act complained of by the petitioner or to do an act which the petitioner has complained it has omitted to do; (c) an order authorising civil proceedings to be brought in the name of and on behalf of the company by the petitioner on such terms as the Court may direct; or (d) an order providing for the purchase of the shares of any members of the company by other members or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly. Generally, claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

Disposal of Assets

The Cayman Islands Companies Act contains no specific restriction on the powers of directors to dispose of assets of a company. However, as a matter of general law, every director of a company in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Accounting and Auditing Requirements

A Cayman Islands exempted company shall cause proper books of account to be kept, including, where applicable, material underlying documentation including contracts and invoices with respect to (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (b) all sales and purchases of goods by the company; and (c) the assets and liabilities of the company. Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions. A Cayman Islands exempted company shall cause all its books of account to be retained for a minimum period of five years from the date on which they are prepared.

A company which keeps its books of accounts at any place other than at its registered office or at any other place within the Cayman Islands shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (As Revised) of the Cayman Islands, make available in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice; and shall be liable to a penalty if the company fails to comply with the order or notice without reasonable excuse.

Exchange Control

There are currently no exchange control regulations or currency restrictions in the Cayman Islands.

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Taxation

Pursuant to Section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, our Company has obtained an undertaking that: (a) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to our Company or its operations; and (b) no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of our Company; or (ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Act (As Revised) of the Cayman Islands. The undertaking for our Company is for a period of 20 years from 30 December 2009.

The Cayman Islands currently levy no taxes on exempted companies based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to our Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands.

Stamp Duty on Transfers of Shares

No stamp duty is currently payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

Loans to Directors

There is no express provision in the Cayman Islands Companies Act prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

Inspection of Corporate Records

The members of a company have no general right under the Cayman Islands Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or outside the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a principal register is by the Cayman Islands Companies Act required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time. An exempted company may also maintain a separate register of members in respect of its listed shares. There is no requirement under the Cayman Islands Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (As Revised) of the Cayman Islands.

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A company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers. The Registrar of Companies of the Cayman Islands shall make available the list of the names of the current directors of a company (and, where applicable, the current alternate directors of a company) for inspection by any person upon payment of a fee by such person.

Winding Up

A company may be wound up (a) by order of the Court, (b) voluntarily by its members, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the Court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company resolves by special resolution that it be wound up voluntarily or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum or articles of association expires, or the event occurs on the occurrence of which the memorandum or articles of association provide that the company is to be wound up. In the case of a voluntary winding up, the company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the commencement of its winding up.

In the case of a members' voluntary winding up of a company, one or more liquidators shall be appointed for the purpose of winding up the company's affairs and distributing its assets.

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As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the Court for an order for the continuation of the winding up under the supervision of the Court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the Court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the Court except that the liquidation commenced in accordance with section 117 of the Cayman Islands Companies Act and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator

Reconstructions, mergers and consolidations

There are statutory provisions which facilitate reconstructions and arrangements approved by (a) seventy-five per cent (75%) in value of members (or class of members) or (b) a majority in number representing seventy-five percent (75%) in value of creditors (or class of creditors), as the case may be, as are present and voting either in person or by proxy at a meeting called for such purpose and thereafter sanctioned by the Court.

In addition, the Cayman Islands Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two (2) or more constituent companies and the vesting of their undertaking, property and liabilities in one (1) of such companies as the surviving company; and (b) "consolidation" means the combination of two (2) or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company; and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures. Dissenting members have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions.

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Where a Cayman Islands parent company (“parent company” means, with respect to another company, a company that holds issued shares that together represent at least ninety per cent. (90%) of the votes at a general meeting of that other company) is merging with one or more of its Cayman Islands subsidiary companies, a special resolution of the members of such constituent companies is not required if a copy of the plan of merger is given to every member of each subsidiary company to be merged, unless that member agrees otherwise.

To effect a merger or consolidation of one or more Cayman Islands companies with one or more overseas companies, in addition to the approval requirements applicable to the merger or consolidation of Cayman Islands companies (in relation to Cayman Islands companies only), the merger or consolidation must also be effected in compliance with the constitutional documents of, and laws of the foreign jurisdiction applicable to, the overseas companies.

Compulsory Acquisition

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than ninety per cent (90%) in value of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one month from the date of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

Indemnification

Cayman Islands law does not limit the extent to which a company’s articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. where a provision purports to provide indemnification against the consequences of committing a crime).

Economic Substance

Under the International Tax Co-operation (Economic Substance) Act (2024 Revision) of the Cayman Islands (the “**ES Act**”), if a company is a “relevant entity” (as defined in the ES Act) and is conducting one or more of the 9 “relevant activities” (as defined in the ES Act), then that company will be required to comply with the economic substance requirements in relation to the relevant activity. A “relevant entity” does not include an entity that is tax resident outside the Cayman Islands. All companies whether a relevant entity or not are required to file an annual notification in the Cayman Islands confirming whether or not it is carrying on any relevant activity and if it is, it must satisfy an economic substance test. A relevant entity that is carrying on a relevant activity is also required to submit a report for the purpose of the Tax Information Authority’s determination whether the economic substance test has been satisfied in relation to that relevant activity. The report is required to be submitted within twelve months after the last day of the end of each financial year commencing on or after 1 January 2019.

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Memorandum and Articles of Association

Ordinary Resolution and Special Resolution

An “ordinary resolution” is defined in the Articles of Association as a resolution passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy or, in the case of any Member being a corporation, by its duly authorised representative at a general meeting of which notice has been duly given in accordance with the Articles of Association.

A “special resolution” is defined in the Articles of Association as a resolution passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy or, in the case of any Member being a corporation, by its duly authorised representative at a general meeting of which notice has been duly given in accordance with the Articles of Association.

Article 82 of the Articles of Association provides that a resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of our Company shall, for the purposes of the Articles of Association, be treated as a resolution duly passed at a general meeting of our Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

The following summarises certain provisions of the Articles of Association relating to:

- (a) The power of a Director to vote on a proposal, arrangement or contract in which he is interested (Article 100)

A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates has any personal material interest, whether directly or indirectly.

Matters in which a Director shall not be considered to have a personal material interest shall include the following:

- (a) any contract or arrangement in which he is interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his interest in shares or debentures or other securities of the Company; or
- (b) any proposal concerning the adoption, modification or operation of a share option scheme, a share incentive scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.

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If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

- (b) The director's power to vote on remuneration (including pension or other benefits) for himself or herself or for any other director, and whether the quorum at a meeting of the board of directors to vote on directors' remuneration may include the director whose remuneration is the subject of the vote

i. *Proceedings at General Meetings (Article 61(1)(e))*

All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of:

...

the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.

ii. *Executive Directors (Article 88)*

Notwithstanding Articles 93, 94, 95 and 96, an executive director appointed to an office under Article 87 hereof shall receive such remuneration (whether by way of salary and/or participation in profits) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director. No Director (whether an executive Director or otherwise) shall be remunerated by a commission on or percentage of turnover.

iii. *Directors' Fees and Expenses (Articles 93, 94, 95, 95A and 96)*

The fees of the Directors shall from time to time be determined by the Company in general meeting, and such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase has been given in the Notice convening the general meeting. Such fees shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.

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Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.

The fees (including any remuneration under Article 93 above) payable to a Director other than an executive Director shall be by a fixed sum and shall not at any time be by commission on or percentage of profits or turnover, and no Director, whether an executive Director or otherwise, shall be remunerated by a commission on or percentage of turnover.

The Board shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

iv. *Directors' Interests (Articles 97 and 100)*

A Director may:

- (a) hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article;
- (b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director;
- (c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Articles the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the

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Company, or exercisable by them as Directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates has any personal material interest, whether directly or indirectly.

Matters in which a Director shall not be considered to have a personal material interest shall include the following:

- (a) any contract or arrangement in which he is interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his interest in shares or debentures or other securities of the Company; or
- (b) any proposal concerning the adoption, modification or operation of a share option scheme, a share incentive scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.

If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

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v. *General powers of the Directors (Articles 101(1), 101(3) and 106)*

The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:

- (a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed;
- (b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration; and
- (c) to resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the Act.

The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such person.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

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- (c) The borrowing powers exercisable by our Directors and how such borrowing powers may be varied (Articles 107 and 101(4))

The Board may exercise all the powers of our Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our Company and, subject to the Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

The Company shall not make (i) any loan, directly or indirectly, to a Director or his close associate(s) or (ii) enter into guarantee or provide any security in connection with a loan made by any person to a Director, his close associate(s) or a body corporate controlled by such Director, if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

Article 101(4) shall only have effect for so long as the shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

- (d) The retirement or non-retirement of a Director under an age limit requirement

There are no provisions in the Articles of Association of our Company requiring the Directors to retire upon reaching any specified age limit.

- (e) The number of shares, if any, required for the qualification of a director (Article 83(4))

Neither a Director nor an alternate Director is required to hold any shares of the Company by way of qualification.

- (f) The rights, preferences and restrictions attaching to each class of shares

Our Company currently has only one class of shares, namely ordinary shares.

- i. *Interpretation (Article 2(1))*

The term “Member” is defined in the Articles of Association as a duly registered holder from time to time of the shares in the capital of the Company.

- ii. *Share Capital (Articles 3(1) and 3(2)(c))*

The share capital of the Company at the date on which these Articles come into effect shall be divided into shares of a par value of HK\$0.02 each.

The Company is authorised to hold treasury shares in accordance with the Act. Subject to the Act, the Listing Rules and/or the rules of any competent regulatory authority, the Company is further authorised to hold any repurchased, redeemed or surrendered shares as treasury shares without the need for a separate resolution of the Board for each instance. The Board may designate as treasury shares any of its shares that it purchases or redeems, or any shares surrendered to it, in accordance with the Act.

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Shares held by the Company as treasury shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred as the Board may determine on such terms and subject to such conditions as it in its absolute discretion thinks fit in accordance with the Act and subject to the rules and regulations of the Designated Stock Exchange.

iii. *Alteration of Capital (Articles 7 and 11)*

Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking pari passu therewith.

iv. *Share Rights (Articles 8 and 9)*

Subject to the provisions of the Act and the Company's Memorandum and Articles of Association and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine. The rights attaching to shares of a class other than ordinary shares shall be expressed in these Articles.

Subject to the provisions of the Act, the Listing Rules and the Memorandum and Articles of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.

- a. Preference shares may be issued subject to such limitations thereof as may be prescribed by the Act and/or by the Listing Rules of the Designated Stock Exchange.
- b. In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of the issued ordinary shares.
- c. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets, and attending general meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the undertaking of the Company, or where the

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proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is in arrear for more than six (6) months.

d. The Company has the power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.

v. *Lien (Articles 22 and 23)*

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such Member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof, provided that such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such monies are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.

Subject to these Articles, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a Notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving Notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

Calls on shares (Articles 25 and 29)

Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such Notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.

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No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

Forfeiture of shares (Articles 34, 35, 37 and 38)

- (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:
 - (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and
 - (b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.
- (2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.

When any share has been forfeited, Notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.

Any share so forfeited shall be deemed the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

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- vi. *Dividends and Other Payments (Articles 133, 134, 135, 136, 137, 138, 140, 141(1), 142(1)(a), 142(1)(b), 142(3), 142(4) and 142(5))*

Subject to the Act, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.

Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Act.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:

- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and
- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.

The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

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All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date of declaration of such dividend or the date on which such other moneys are first payable. For the avoidance of doubt, no Member or Depositor shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends or bonuses, howsoever and whatsoever. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment.
- (b) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

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The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

vii. *Requisition of General Meetings (Article 58)*

The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Member(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company (excluding treasury shares) carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the Principal Meeting Place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

viii. *Notice of General Meetings (Articles 59(1) and 59(2))*

Subject to the Act and the Listing Rules of the Designated Stock Exchange, an annual general meeting and a general meeting at which the passing of a special resolution is to be considered shall be called by not less than twenty-one (21) clear days' notice (excluding the date when the Notice is given or deemed to be given and the date of the meeting). All other general meetings (including an extraordinary general meeting) must

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be called by Notice of not less than fourteen (14) clear days but if permitted by the Listing Rules, a general meeting may be called by shorter notice, subject to the Act, if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the Members.

The Notice shall specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to Article 64A, the principal place of the meeting (the “**Principal Meeting Place**”), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the Notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such Notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

ix. *Voting (Articles 66(1), 66(2), 69, 71 and 73)*

A holder of ordinary shares shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the Company have been paid. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles (including Article 75(a)(i)), at any general meeting on a poll every Member present in person or by proxy shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that in the case of a physical meeting, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case, subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles (including Article 75(a)(i)), every Member present in or by proxy(ies) shall have one vote and the Chairman of the meeting may determine which proxy shall be entitled to vote where a Member (other than the Depository or a relevant intermediary or a clearing house) is represented by two or more proxies, provided that where more than one proxy is appointed by a Member which is the Depository or a relevant intermediary or a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not

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on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

In the case of a physical meeting where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

- (a) by the Chairman of such meeting; or
- (b) by at least three Members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) where the Depository is a Member, by at least two (2) proxies representing the Depository.

A demand by a person as proxy for a Member shall be deemed to be the same as a demand by the Member.

A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.

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All Members shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

Where the Company has knowledge that any Member is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

x. *Proxies (Article 75(a))*

Any Member entitled to attend and vote at a meeting of the Company or at a class meeting shall be entitled to appoint another person as his proxy to attend and vote on any matter instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting, provided that if the Member is the Depository or a relevant intermediary:

- (i) the Depository or the relevant intermediary may each appoint more than two (2) proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of the Depository or the relevant intermediary (as the case may be) as the Depository or the relevant intermediary (as the case may be) could exercise, including the right to vote individually on a show of hands or on a poll;

xi. *Corporations acting by representatives (Article 81)*

Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including, the right to speak and to vote and, where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provisions contained in these Articles.

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Where a Member is the Depository or a relevant intermediary (or its nominee, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be entitled to exercise the same rights and powers as if such person was the registered holder of the shares of the Company held by the Depository (or its nominee) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands or on a poll.

xii. *Winding up (Article 163)*

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such Members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

xiii. *Redemption Provisions (Articles 9 and 109)*

Subject to the provisions of the Act, the Listing Rules and the Memorandum and Articles of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.

**APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE
MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY
AND THE CAYMAN ISLANDS COMPANIES ACT**

Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

(g) Any changes in capital

i. *Alteration of Capital (Articles 4 and 6)*

The Company may from time to time by ordinary resolution in accordance with the Act alter the conditions of its Memorandum of Association to:

- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Company’s Memorandum of Association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled or, in the case of shares, without par value, diminish the number of shares into which its capital is divided.

The Company may from time to time by special resolution, subject to any confirmation or consent required by the Act, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.

**APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE
MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY
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- (h) Any change in the respective rights of the various classes of Shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law

Variation of Rights (Articles 10 and 11)

If at any time the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital other than redeemable preference capital may be repaid and all or any of the special rights attached to any class may be varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class concerned (but not otherwise, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-fourths in nominal value of the issued shares of the class concerned within two (2) months of such general meeting, shall be as valid and effectual as a special resolution carried at such general meeting). To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

- (a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class (excluding treasury shares); and
- (b) every holder of shares of the class shall be entitled to one vote for every such share held by him.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

- (i) Any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates (Article 140)

All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date of declaration of such dividend or the date on which such other moneys are first payable. For the avoidance of doubt, no Member or Depositor shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends or bonuses, howsoever and whatsoever. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

**APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE
MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY
AND THE CAYMAN ISLANDS COMPANIES ACT**

- (j) Any limitation on the right to own shares including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the shares

Shares (Article 12(1))

Subject to the Act, these Articles, any direction that may be given by the Company in general meeting and, where applicable, the Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount to their nominal value. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of Members for any purpose whatsoever.

Dividends and other payments (Articles 142(1) and 142(4))

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment; or
- (b) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

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APPENDIX E – TAXATION

The following discussion is limited to a general description of certain tax consequences in the jurisdictions described below with respect to ownership of our Shares, based on laws, regulations, guidelines, rulings and decisions in effect as at the Latest Practicable Date. Such laws, regulations, guidelines, rulings and decisions are subject to change, and any change could be retrospective. Such laws, regulations, guidelines, rulings and decisions are also subject to interpretation and the relevant tax authorities or courts could later disagree with the explanations or conclusions set out herein. The discussion below does not purport to be comprehensive or exhaustive, and does not constitute legal or tax advice.

Prospective investors should consult their own professional advisers regarding the tax consequences of purchasing, owning and disposing of our Shares. Neither our Company, our Directors nor any other person involved in the Placement accepts responsibility for any tax effects or liabilities resulting from the purchase, ownership or disposition of our Shares.

CAYMAN ISLANDS TAXATION

Our Company is incorporated in the Cayman Islands as an exempted company. Pursuant to Section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, our Company has obtained an undertaking from the Governor-in-Cabinet that:

- (a) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to our Company or its operations; and
- (b) no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (i) on or in respect of the shares, debentures or other obligations of our Company; or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Act (As Revised) of the Cayman Islands.

The undertaking for our Company is for a period of 20 years from 30 December 2009.

The Cayman Islands currently levy no taxes on exempted companies based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. Dividends remitted to Shareholders resident outside the Cayman Islands will not be subject to Cayman Islands withholding tax. There are no reciprocal tax treaties between the Cayman Islands and Singapore. There are no other taxes likely to be material to our Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands.

HONG KONG (CHINA) TAXATION

Dealings in the Shares registered on our Hong Kong branch register will be subject to Hong Kong stamp duty. The current rate of stamp duty in Hong Kong for transfer of Hong Kong stock is 0.1% on the higher of the consideration for and the market value of the Shares, and it is charged on the purchaser on every purchase and on the seller on every sale of the Shares. In other words, a total stamp duty of 0.2% is currently payable on a typical sale and purchase transaction involving the Shares. In addition, a fixed duty of HK\$5.00 is charged on each instrument of transfer (if required).

No tax is payable in Hong Kong in respect of dividends paid by the Company.

APPENDIX E – TAXATION

However, dividends paid by our Company and received in Hong Kong by a multinational enterprise will be subject to Hong Kong profit tax at 16.5% unless an exemption applies to the foreign-sourced dividend income received in Hong Kong. Corporate investors are advised to consult their own tax advisors.

Dividends paid by our Company and received in Hong Kong by natural persons would not be taxable in Hong Kong.

SINGAPORE TAXATION

Corporate Income Tax

Corporate taxpayers are subject to Singapore income tax on income accruing in or derived from Singapore and foreign-source income received or deemed to be received in Singapore from outside Singapore, unless specifically exempted from tax.

Corporate income tax rate and tax exemption schemes

The prevailing corporate income tax rate in Singapore is 17.0%.

With effect from Year of Assessment (“YA”) 2020, all companies, including companies limited by guarantee are eligible for partial tax exemption (unless claiming the tax exemption for new start-up companies) where the first S\$200,000 of a company’s normal chargeable income is exempt from tax as follows:

- (a) 75% exemption on the first S\$10,000 of normal chargeable income; and
- (b) 50% exemption on the next S\$190,000 of normal chargeable income.

Qualifying companies, subject to meeting the relevant conditions, are allowed the following tax exemption for new start-up companies for their first three consecutive YAs:

- (a) 75% exemption on the first S\$100,000 of normal chargeable income; and
- (b) 50% exemption on the next S\$100,000 of normal chargeable income.

The remaining chargeable income (after deducting the applicable tax exemption) will be taxed at the prevailing corporate income tax rate, currently at 17.0%.

Tax residency of a company

A company is regarded as a tax resident in Singapore for a particular YA if the control and management its business was exercised in Singapore in the preceding calendar year. “Control and management” refers to the making of decisions on strategic matters, such as those concerning the company’s major policy and strategy. Typically, the location of the company’s board of directors (“BOD”)’s meetings, during which strategic decisions are made, is a key factor in determining where the control and management is exercised. However, under certain scenarios, holding board meetings in Singapore may not be sufficient and other factors will be considered to determine if the control and management of the business is indeed exercised in Singapore.

APPENDIX E – TAXATION

Foreign-sourced income

Presently, tax exemption will be granted to a Singapore tax resident corporate taxpayer on its foreign-sourced dividends, foreign branch profits and foreign-sourced service income (“**specified foreign income**”) received or deemed to be received in Singapore, subject to meeting the following qualifying conditions:

- (a) the specified foreign income has been subject to income tax in the foreign jurisdiction from which the income is received;
- (b) at the time the specified foreign income is received in Singapore, the headline tax rate (i.e. highest corporate income tax rate) of the foreign jurisdiction from which the income is received is at least 15.0%; and
- (c) the Comptroller of Income Tax (the “**Comptroller**”) is satisfied that the tax exemption would be beneficial to the Singapore tax resident corporate taxpayer.

If the foreign-sourced income is subject to tax in Singapore and does not qualify for any tax exemption, a Singapore tax resident corporate taxpayer may claim foreign tax credit (“**FTC**”) for the amount of tax paid in the foreign jurisdiction on the same foreign-sourced income, subject to meeting the relevant conditions. The amount of FTC available to a Singapore tax resident corporate taxpayer is the lower of:

- (a) the Singapore tax payable attributable to the foreign income (net of expenses); or
- (b) the actual foreign tax suffered.

Under the FTC pooling system, Singapore tax resident companies may elect to claim FTC on a pooled basis on its foreign-sourced income, subject to meeting the following relevant conditions:

- (d) foreign income tax must have been paid on the income in the foreign jurisdiction from which the income is derived;
- (e) at the time the foreign-sourced income is received in Singapore, the headline tax rate of that foreign jurisdiction from which the income is received is at least 15%;
- (f) there must be Singapore income tax payable on the foreign-sourced income; and
- (g) the taxpayer is entitled to claim foreign tax credits under sections 50, 50A or 50B of the Income Tax Act 1947 of Singapore (the “**ITA**”) on its foreign-sourced income.

Individual Income Tax

An individual taxpayer (both tax resident and non-tax resident of Singapore) is subject to Singapore income tax on income earned in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received in Singapore by an individual taxpayer is generally exempt from income tax in Singapore, except for certain circumstances.

An individual is regarded as a tax resident in Singapore in a YA if, in the preceding calendar year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

APPENDIX E – TAXATION

A Singapore tax resident individual is subject to tax at the progressive tax rates, ranging from 0% to 24%, after deductions of qualifying personal reliefs where applicable.

A non-Singapore tax resident individual is generally taxed at the rate of 24% except for Singapore-sourced employment income which is taxed at either a flat rate of 15% (without deductions for personal relief), or at the progressive tax rates as a tax resident (with deductions for personal relief), whichever yields a higher tax.

Dividend Distributions

Singapore does not impose withholding tax on dividend payment.

As our Company is incorporated in the Cayman Islands, if it is not regarded as a Singapore tax resident, dividends paid by our Company would be considered as foreign-sourced income. Dividends paid by our Company will be exempt from Singapore income tax when received by an individual investor regardless of whether the individual investor is resident or non-resident of Singapore, except if such income is received through a partnership in Singapore.

Dividends paid by our Company and received in Singapore by a Singapore corporate investor will be subject to Singapore income tax unless an exemption applies to the foreign-sourced dividend income received in Singapore.

Shareholders or investors are advised to consult their own tax advisers in respect of the tax laws of their respective countries of residence which are applicable on such dividends received by them and the applicability of any double taxation agreement.

Bonus shares

Any bonus shares received by our shareholders are not subject to Singapore income tax.

Capital Gains Tax

Singapore currently does not impose tax on capital gains, with the exception of gains from the sale of foreign assets under Section 10L of the ITA. As our Company is incorporated in the Cayman Islands, any gains from the disposal of our Shares, if regarded as capital gains, are not taxable in Singapore and if it does not fall under the ambit of Section 10L.

There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. The determination is based on a consideration of the facts and circumstances of each shareholder, and the factors considered are drawn from established case law principals, commonly known as the “badges of trade”.

Section 13W of the ITA provides for certainty on the non-taxability of gains or profits derived by a corporate taxpayer (“divesting company”) from the disposal of Ordinary Shares in another company (“investee company”) in Singapore, if immediately prior to the date of the share disposal:

- The divesting company holds a minimum shareholding of at least 20% in the investee company whose shares are being disposed; and
- The divesting company had maintained the minimum 20% shareholding in the investee company for a continuous minimum period of 24 months prior to the date of disposal.

APPENDIX E – TAXATION

As announced in the Singapore Budget 2025, for disposal gains derived on or after 1 January 2026, Section 13W exemption will include disposal of preference shares that are accounted for as equity by the investee company under the applicable accounting principles, and the 20% minimum shareholding threshold can be assessed on a group basis.

The above-mentioned “certainty from non-taxability” will not be applicable under the following scenarios:

- Divesting company whose gains or profits from the disposal of shares are included as part of its income based on the provisions of Section 26 of the ITA;
- Disposal of shares by a partnership, limited partnership or limited liability partnership where one (1) or more of the partners is a company or are companies.
- The disposal of shares in an unlisted investee company that is in the business of trading, holding immovable properties in Singapore or overseas;
- The disposal of shares in an unlisted investee company that is in the business of property development in Singapore or overseas, except where
 - o The immovable property developed is used by the investee company to carry on its own business to derive trade income (including business of letting immovable properties); and
 - o The investee company did not undertake any property development activity in the past 60 consecutive months before the disposal of shares.

With effect from 1 January 2024, gains derived from the sale or disposal of movable or immovable property situated outside Singapore (referred to as “foreign asset”) will be subject to Section 10L provisions and be regarded as income chargeable to tax under Section 10(1)(g) of the ITA if they are received or deemed received in Singapore from outside Singapore by an entity (including a company) of a relevant group.

An entity is a member of a group if its assets, liabilities, income, expenses and cash flows are:

- included in the consolidated financial statements of the parent entity of the group; or
- excluded from the consolidated financial statements of the parent entity of the group solely on size or materiality grounds or on the grounds that the company is held for sale

A group is a relevant group if:

- the entities of the group are not all incorporated, registered or established in Singapore; or
- any entity of the group has a place of business outside Singapore.

Section 10L provisions apply notwithstanding any tax exemption provided elsewhere in the ITA unless the gains derived are incidental to the income of the business which are specifically carved out from the legislative confines of Section 10L (e.g. activities carried out by financial institutions or entities enjoying certain tax incentives in Singapore) or the entity concerned is able to meet all the prescribed economic substance requirements in the basis period in which the sale or disposal occurs.

APPENDIX E – TAXATION

Shareholders who have adopted or are required to adopt Financial Reporting Standard 109 Financial Instruments or Singapore Financial Reporting Standard (International) 9 Financial Instruments (as the case may be) for financial reporting purposes may for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses that are capital in nature) on our Shares, irrespective of whether there is actual disposal.

Shareholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their ownership and disposal of our Shares.

Stamp Duty

There is no stamp duty payable on the subscription for, allotment or holding of our Shares.

Under Singapore law, stamp duty is payable on the instrument of transfer of shares in Singapore companies at the rate of 0.2%, computed on the consideration paid for or market value of the Ordinary Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no dutiable document (whether physical or electronic, such as in the case of scripless shares, the transfer of which do not require instruments of transfer to be executed) is executed or the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the dutiable document which is executed outside Singapore is subsequently received in Singapore. Electronic instruments that are executed outside Singapore are treated as received in Singapore in any of the following scenarios: (a) it is retrieved or accessed by a person in Singapore; (b) an electronic copy of it is stored on a device (including a computer) and brought into Singapore; or (c) an electronic copy of it is stored on a computer in Singapore.

Stamp duty is not applicable to electronic transfers of our Shares through the scripless trading system operated by CDP.

Estate Duty

Singapore estate duty had been abolished with effect from 15 February 2008.

GST

The sale of our Shares by a GST-registered investor belonging in Singapore through an SGX-ST member or to another person belonging in Singapore is an exempt supply and, not subject to GST. Any input GST incurred by the GST-registered investor in connection with the making of such an exempt supply is generally not recoverable from the Comptroller of GST and will become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or by the Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person who belongs outside Singapore, and for the direct benefit of either a person belonging outside Singapore (and that person is outside Singapore at the time of supply) or a GST-registered person who belongs in Singapore, the sale is a taxable supply subject to GST at zero-rate (i.e. GST at zero per cent. (0%)). Any input GST incurred by the GST-registered investor in the making of such a zero-rated supply, subject to the provisions of the GST legislation, may be recovered from the Comptroller of GST.

APPENDIX E – TAXATION

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of our Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the prevailing standard rate of nine per cent. (9%). Similar services contractually rendered by a GST-registered person to an investor belonging outside Singapore, and for the direct benefit of either a person belonging outside Singapore (and that person is outside Singapore at the time of supply) or a GST-registered person who belongs in Singapore should generally be subject to GST at zero-rate.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

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INFORMATION
INSIGHTS
INTEGRITY



The Footwear Adhesive Industry in Asia with focus on the People's Republic of China, Vietnam, Bangladesh, Indonesia

This report was prepared for
Infinity Development Holdings Company Limited

18 August 2025

SINGAPORE

HONG KONG

MALAYSIA

www.convergingknowledge.com

APPENDIX F – INDUSTRY REPORT

CONVERGING KNOWLEDGE | 2

DISCLAIMER

Converging Knowledge has prepared this report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this report represents a true and fair view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. We note that the opinions expressed are opinions of human sources and caution as to the subjective nature of such information.

This material should not be construed as an offer to sell or the solicitation of an offer to buy in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material.

It is to provide an independent view of the industry and markets in which Infinity Development Holdings Company Limited (the “Company”) and its subsidiaries (the “Group”) operate, and to offer a clear understanding of the industry and market dynamics. It does not take into account the particular investment objectives, financial situations, or needs of individual clients. This report has been prepared for inclusion in the offer document of the Company to be issued in connection with the initial public offering, and listing, of shares in the capital of the Company on the Catalist Board, the sponsor supervised listing platform of the Singapore Exchange Securities Trading Limited. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice.

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RESEARCH SCOPE

The Company is preparing an Initial Public Offering (“IPO”) on the Catalist Board of the Singapore Exchange (“SGX”). Our objective is to assist our Client and Xandar Capital Pte. Ltd. (“Sponsor”) in conducting a fully substantiated secondary and primary research to gain insights into the focus areas and sector mentioned below, taking into consideration the requirements of the listing authorities, to facilitate a successful listing.

1. Overview of the Adhesives Industry in Asia
 - a. Overview of the Adhesive Industry for footwear
 - i. To provide an overview of the industry and highlight the appeal of this industry to investors and regulators
 - ii. Definitions
 - To define adhesives
 - To differentiate high-end vs low-end adhesives
 - iii. Relevant key statistics that will directly and indirectly affect the adhesive industry in Asia
 - Statistics to cover markets where the Client is active (Vietnam, the PRC, Indonesia, and Bangladesh)
 - Statistics will be updated to the latest financial year immediately preceding the issue of the Offer document, where available
 - b. Industry structure
 - i. Description of differing segments in the industry
 - ii. Description of the Company within the industry sector
 - To highlight the segment that the Company is active within the industry
2. Competitive Landscape in Asia (with focus on the PRC and Vietnam)
 - a. Level of competition in the industry
 - i. Intensity and nature of competition (to describe how the market competes)
 - b. Major Players in the industry
 - i. To identify the major players in this industry
 - ii. A table to show peer benchmarking of these major players
 - Other than financial comparison, benchmarks can be undertaken from a non-financial perspective to illustrate the strengths and unique features e.g. business coverage, product coverage, geographical coverage

APPENDIX F – INDUSTRY REPORT

CONVERGING KNOWLEDGE | 4

3. Estimated Market Size in Asia
 - a. Estimated market size of Footwear Adhesives
 - b. Estimated market share or ranking of the Company

4. Major Trends in Asia (with focus on Vietnam, the PRC, Indonesia and Bangladesh)
 - a. Material trends that will impact the business
 - i. For example:
 - Key global, regional and local trends and development
 - Other developments
 - ii. Note that information in this section shall be obtained purely from secondary research

5. Challenges and Barriers to Entry in the Industry in Asia (with focus on Vietnam, the PRC, Indonesia and Bangladesh)
 - a. Challenges
 - i. For example:
 - Environmental concerns in manufacturing
 - Supply disruptions
 - b. Barriers to Entry

6. Outlook and Growth Forecast in Asia
 - a. Outlook of industry and prospects (with focus on Vietnam, the PRC, Indonesia and Bangladesh)
 - b. Estimated growth forecast in the next 5 years (in %)

Executive Summary

We will prepare an Executive Summary (maximum of 10 pages) for inclusion in the Offer Document. It will contain:

1. Industry Overview
2. Competitive Landscape
 - a. Intensity and nature of competition
 - b. Market size and market share
 - c. Competitive landscape
 - d. Key Trends and Drivers

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APPENDIX F – INDUSTRY REPORT

CONVERGING KNOWLEDGE | 5

- a. Regional/ local trends
 - b. Key industry drivers
 - c. Historical price trends of raw materials (where publicly available)
4. Challenges and Barriers to Entry
- a. Challenges
 - b. Barriers to entry
5. Outlook
- a. Industry outlook and prospects
 - b. Estimated growth forecast in the next 5 years (in %)

RESEARCH APPROACH

The research will be conducted on a best effort basis through a combination of primary and desktop (published resources) research, to address the scope of research.

Primary research involves discreet interviews tapping on the knowledge, experience and opinions of relevant companies, industry associations, technical institutions, government bodies and academic institutions.

Desktop research includes, but is not limited to, a review of the following:

- Local newspapers and news wires/ agencies;
- Leading industry and trade publications;
- Websites of regulatory authority as well as relevant government agencies; and
- Websites of companies.

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1. EXECUTIVE SUMMARY

1.1 Overview of the Adhesive Industry in Asia

The Adhesive Industry plays a critical role across all sectors, as adhesives are used in various industries, such as footwear, construction, healthcare equipment, packaging, aerospace and ground transportation. With Asia contributing to more than half of the world's manufacturing, the Adhesive Industry is equally significant in this region. This study centres on industrial adhesives used in footwear manufacturing, with a focus on sports and vulcanised footwear¹.

Adhesives for footwear (often referred to as the “shoe glue”) are an essential part of footwear production. The adhesive application process generally involves the following phases: (1) Surface Treatment, (2) Application, (3) Drying and Reactivation, (4) Bonding and Pressing, and (5) Curing. Not all adhesives are made equal. A significant differentiating factor is the chemical composition of the adhesive, which impacts the strength and effectiveness of the product. Players that offer high-end adhesives are more knowledge-driven compared to those dealing with low-end adhesives.

Majority of Footwear Exports are from Asia

Footwear exports increased from USD31.5 billion in 2020 to USD41.0 billion in 2024 (CAGR: 6.8%). The top three export countries – Vietnam, Indonesia, and the People's Republic of China (“PRC”) – accounted for nearly half (49.0%) of the total in 2024². As manufacturing volume rises, Asia is likely to increase demand for shoe ancillary products such as adhesives.

Industrial Adhesive Imports and Exports, Asia

Global imports and exports of industrial adhesives saw an upward trend from 2020 to 2024, rising from USD7.8 billion to USD9.4 billion (CAGR: 4.7%) and USD7.7 billion to USD9.4 billion (CAGR: 5.1%)³ respectively. Asian accounted for at least 30.0% of the world's total imports and exports between 2020 and 2024⁴. The PRC remained the world's largest industrial adhesive

¹ Vulcanised footwear takes reference from the production process of the rubber shoe soles called “vulcanisation”. This entails the process of treating crude or synthetic rubber or similar plastic material chemically, to give it useful properties, such as elasticity, strength, and stability.

² Compiled by Converging Knowledge

³ Trade Map, International Trade Centre, www.trademap.org Retrieved 15 August 2025

⁴ Computed by Converging Knowledge.

importer (15% of the total) and was the largest Asian exporter, having increased its market share from USD1.1 billion in 2020 to USD1.7 billion in 2024, at a CAGR of 9.6%. Vietnam ranked amongst the global Top 10 list for importers with a record high CAGR of 23.5%⁵. In addition, Bangladesh had the third-highest CAGR of industrial adhesive imports in Asia at 7.9%⁶. The uptrend reflects a rising level of manufacturing activities across the major Asian markets.

1.2 Competitive Landscape in Asia (with focus on the PRC & Vietnam)

1.2.1 Intensity and Nature of Competition

Competition is highly intensive in the Adhesive Industry, particularly in the PRC. However, competition in Vietnam is limited to a handful of foreign adhesive manufacturers. In pursuit of competitive advantages, players in the Footwear Adhesives Industry differentiate themselves by product and end-use applications.

Price and Quality

Footwear manufacturers seek to control costs associated with production, raw material input, and the use of ancillary products. Adhesive products are priced differently depending on their base materials and formulation. Lower-priced alternatives might result in a higher incidence of debonding, which affects the quality of the finished product. The final adhesive price is also reliant on primers and hardeners used for surface treatment. The more established footwear adhesive manufacturers can deliver competitively priced products without compromising on production time and quality.

Environmentally Friendly Offerings

The wider adhesives market is offering environmentally friendly alternatives. The shift is more pronounced in the PRC due to the government's regulations, while Vietnamese footwear manufacturers are seeking to mitigate the environmental impact of their products to comply with requirements in the export destinations.

Product Research and Development ("R&D")

Footwear adhesive manufacturers usually involve R&D collaboration with other stakeholders involved in the shoemaking process. Product innovation is especially important for reducing the production time: for instance, enhancing the performance of water-based adhesives by

⁵ Trade Map, International Trade Centre, www.trademap.org Retrieved 15 August 2025

⁶ Trade Map, International Trade Centre, www.trademap.org Retrieved 15 August 2025

shortening drying times. Some larger players may also patent their adhesive technologies and formulations to reflect technical competencies and commitment to quality assurance.

Proximity, Technical Expertise and Strong Relationship With Stakeholders

For an effective production process, footwear adhesive manufacturers are usually located close to their clients' factories to minimise logistical hiccups. Larger players may operate one main factory or several production facilities within the country. Post-production management is also a crucial aspect of management. Running a marketing team armed with technical expertise is important in after-sales support; the more established footwear adhesive manufacturers also maintain a strong relationship network with their suppliers and clients to minimise supply chain disruptions.

Product Diversification and Vertical Integration of Supply Chain

Larger adhesive manufacturers may serve a wide range of industrial applications beyond footwear as added segments of revenue growth. To keep costs low, the more established players also produce raw materials, enabling competitive pricing.

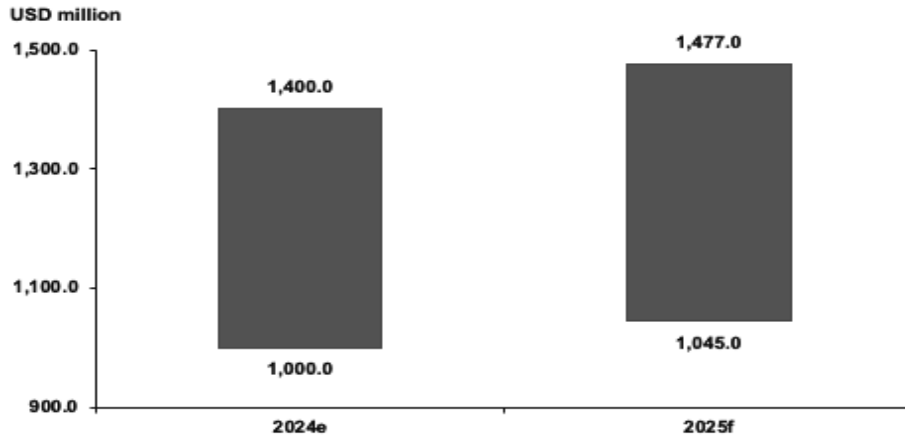
1.2.2 Market Size and Market Share

Asia is the world's leading footwear manufacturer, producing at least 9 out of 10 pairs of shoes. Footwear demand remained robust in 2024, with athletic footwear at the forefront. The market size was estimated to be worth around USD1,000.0 million to USD1,400.0 million in 2024 and is expected to reach between USD1,045.0 million and USD1,477.0 million in 2025, at a year-on-year ("YoY") growth of 4.5% to 5.5%⁷ as illustrated in the figure below.

⁷ Compiled by Converging Knowledge

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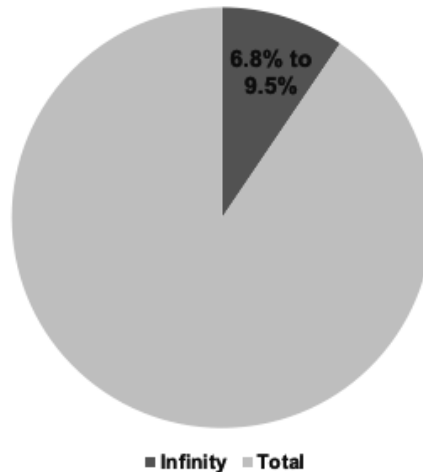
Figure 1: Estimated Market Size of the Footwear Adhesives Industry in Asia, 2024 to 2025



Source: Converging Knowledge

Infinity Development Holdings Company Limited is one of the Top 4 players in the footwear adhesives industry in Asia, based on market audit and interviews*, and its market share was estimated to make up approximately 6.8% to 9.5% of Asia's Footwear Adhesives Industry in 2024⁸, as shown in the figure below.

Figure 2: Estimated Market Share of Infinity Development Holdings Company Limited, 2024



Source: Converging Knowledge

⁸ Compiled by Converging Knowledge

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** The market audit involved both secondary sources and primary interviews. On secondary sources, the names of the leading players in the industry were filtered from a long list that was generated from sweeping through business databases, directories, trade association websites, industry reports, the media as well as stock exchanges in the four countries that are of interest to Infinity Development Holdings Company Limited, namely the PRC, Vietnam, Indonesia, and Bangladesh. Audited financial statements of the leading private players were purchased, where available. In cases where there were no financial filings or a breakdown in financial information, estimates were derived from primary interviews with industry players, reported financial data from publicly-listed companies, and other secondary sources of information. Consequently, the findings were consolidated, triangulated, and tabulated to identify the top players.*

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1.2.3 Peer Benchmarking of Major Asian Adhesive Players

The peer benchmarking framework shortlists six leading Asian players in the footwear adhesives market, as demonstrated in the table below.

Table 1: Major Asian Players in the Footwear Adhesives Industry

Company Name	Principal Place of Business	Revenue #	Factory Presence#			Footwear Adhesive Technologies				Footwear Types		
			PRC	VN	INDO	Water	Solvent	Hot Melt	Others	Sports	Vulcan	Others
Infinity Development Holdings Company Limited	Hong Kong SAR	XX	✓	✓	✓	✓		✓			✓	✓
Nanpao Resins Chemical Co., Ltd.	Taiwan	XXXX	✓	✓	✓	✓		✓			✓	✓
Great Eastern Resins Industrial Co., Ltd.	Taiwan	XXX	✓	✓	✓	✓		✓			✓	✓
Hwa Pao Resins Chemical Co., Ltd.	Taiwan	X	✓	✓		✓		✓			✓	✓
Assems Inc.	South Korea	X	✓	✓	✓			✓			✓	✓
Guangdong Pearlfield & Bali Technology Co., Ltd.	PRC	XX	✓			✓		✓			✓	✓

Notes:

Figures are denominated in USD million and based on financial information reported in the latest fiscal year (FY).

- X - < USD50 million
- XX - USD50 million to USD149 million
- XXX - USD150 million to USD249 million
- XXXX - ≥ USD250 million

Some of these players may have factories in countries other than the three countries listed above (PRC, Vietnam, and Indonesia). These countries were selected as they are among the top footwear-exporting countries.

- Legend: VN - Vietnam; INDO - Indonesia; Vulcan - Vulcanised.
- Footwear Adhesive Technologies - 'Others' comprise radiation-cured, bio-based, and other types of adhesives not classified elsewhere.
- Footwear Types - 'Others' comprise dress shoes, boots, mules, and other types of footwear not classified elsewhere.
- Company names are not listed in any particular order.
- Peers in the table cover manufacturers of footwear adhesives as a core offering, where the segment contributes to 50% or more of their revenue. This list focuses on Asian players only.
- Infinity Development Holdings Company Limited manufactures UV radiation treatment agents. It is currently working with raw material suppliers to develop products containing bio-based materials.
- The table only covers the major players with Asian place of origin. It excludes major players originating outside of Asia, and yet has a significant presence/ business in the region.

Source: Compiled by Converging Knowledge

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1.3 Major Trends in Asia (with focus on Vietnam, the PRC, Indonesia & Bangladesh)

1.3.1 Regional/Local Trends

Demand for High-Performance Adhesives Driven by High Quality and Comfortable Footwear

High-performance adhesives provide a flexible and durable bond for sports and vulcanised shoes that are often subject to repeated stress and environmental conditions without compromising on the wearer's comfort, foot movement, and safety. Consumers swapping out of their formal and office attire for casual wear amidst hybrid working arrangements remained a trend post-COVID.

Greater Focus on Sustainable Adhesives

Volatile organic compounds ("VOC") cause pollution and global warming as well as respiratory problems. As such, the Adhesive Industry has taken steps to reduce VOC content with sustainable alternatives. The PRC has introduced policies to encourage the development of sustainable new fine chemicals⁹. There are growth opportunities in Indonesia and Vietnam as well, where larger adhesive manufacturers have seen a growing interest in hotmelt and water-based adhesives.

Health-Conscious Consumers at the Forefront of Demand for High-Quality Footwear

Healthy lifestyle has remained prevalent post-COVID. Health initiatives introduced by Vietnam and the PRC encourage their citizens to take up sporting activities or promote the awareness of exercise and cultivate healthy eating habits. Likewise, Indonesian consumers are also proactive about their health, as seen in the growing number of sports enthusiasts. Developments of health initiatives boost the revenues of footwear manufacturers, which will create a spillover effect on adhesives.

'Shoe City' to Elevate Bangladesh's Status as Global Footwear Manufacturing Hub

Bangladesh has emerged as a lower-cost alternative to the footwear manufacturing hotspots in the PRC and Vietnam. Bangladesh constructed a 35-acre footwear manufacturing complex¹⁰; the project endeavours to accommodate at least 20 factories, and is estimated to be worth USD100 million. Over 10 foreign investors have signed memorandums of understanding (MOUs). The Bangladesh Shoe City Limited, a shoe manufacturing consolidated facility in Gazipur, Bangladesh, would increase Bangladesh's attractiveness as a global footwear manufacturer.

⁹ In Chinese: 产业结构调整目录 (2019) 年版. The full policy document is available on the PRC government's website at this link: https://www.gov.cn/zhengce/2021-12/27/content_5713262.htm Retrieved 15 August 2025

¹⁰ Bangladesh Shoe City Limited - <https://bangladeshshoecity.com/> Retrieved 15 August 2025

1.3.2 Key Industry Drivers

Post-Pandemic Sporting Events Help Boost Demand for Athletic Footwear

The resumption of sporting events with a live audience post-COVID has reignited a wave of athletic footwear. Performance footwear is also gaining traction in local sporting events such as Dalat Music Run in Vietnam. Such events attracted strong interest from both local consumers and foreign tourists. As a supporting industry for athletic shoe manufacturers, adhesive manufacturers with performance footwear capabilities are likely to benefit from this growing demand.

E-Commerce Livestreaming in Driving Consumer Footwear Demand

Online shopping has grown exponentially during the pandemic, boosted by the emergence of livestreaming; the PRC, Indonesia and Vietnam are the largest markets in Asia¹¹. Ecommerce livestreaming or 'live shopping' has taken off in the PRC and Vietnam, popularised by the short video social media app Douyin (抖音). Douyin is one of the most popular social media platforms in the PRC that boasts a monthly user base of an estimated 700 million in 2024.

1.4 Challenges and Barriers To Entry

1.4.1 Challenges

Raw Material Costs Fluctuations

Key raw materials used in adhesives are derivatives of crude oil. As a result, the cost of these raw materials was influenced by the fluctuations in international oil prices over the past three years (2022-2024). Brent crude oil average prices fell from their peak at USD98.80 per barrel in 2022 to USD79.10 per barrel in 2024. The price volatility was attributed to the post-pandemic recovery of global economic activities, rising inflationary pressures, and major geopolitical events such as the Russia-Ukraine War, among other factors. Raw material price volatility creates uncertainty, which could affect the profitability of adhesive manufacturers.

Rising Labour Costs

Wages had risen in the past five years (2019-2023). The PRC recorded the highest average monthly earnings of manufacturing workers, which nearly doubled from 2019 to 2023¹². Vietnam recorded the

¹¹ In terms of Gross Merchandise Value (GMV). Google, Temasek, and Bain, e-Conomy SEA 2024 - https://services.google.com/fh/files/misc/e_economy_sea_2024_report.pdf Retrieved 7 May 2025.

¹² Compiled by Converging Knowledge

second-highest monthly earnings, which grew at a CAGR of 3.3%, followed by Indonesia at a CAGR of 1.0%¹³. The high wages observed in the PRC have prompted manufacturers to relocate their factories to other countries with lower labour costs, such as Vietnam and Bangladesh.

Supply Chain Disruptions

The pandemic and geopolitical risks also contributed to the higher costs of adhesives and their oil-derived raw material inputs. Government stop-work and movement restriction orders during the pandemic resulted in supply-demand disparities and logistical complications. The post-pandemic recovery of the global supply chain was impeded by the Russia-Ukraine war. As Russia is a major oil-producing country, the conflict resulted in greater volatility in crude oil prices.

Environmental Regulations and Safety Concerns Related to VOCs

The environmental impact and health hazards posed by VOCs have led to stricter regulations on their use and emissions by governments around the world. While regulations have helped to reduce the number of incidents to a certain extent, mass poisoning can still occur in an enclosed factory environment, indicating the need to comply with VOC regulations.

1.4.2 Barriers to Entry

A Rigorous Process to Become a Supplier of International Footwear Manufacturers

Adhesive manufacturers must have the right certifications and meet the stipulated requirements to become an approved supplier. The more established manufacturers also have industry-specific certifications for their products and raw materials¹⁴. In addition, international footwear brands have strict standards backed by several rounds of testing and regular audit checks. As such, the barrier to entry is extremely high for new entrants seeking to serve these international footwear brands.

Importance of Establishing and Maintaining Supplier and Customer Relationships

The more established adhesive manufacturers can tap into their existing network with suppliers and customers to deal with force majeure by developing contingency plans. Logistical issues must also be considered in the sourcing of raw materials and delivery to end-clients to cater to alternate sources of supply during disruptions. Therefore, maintaining close relationships with supply chain partners is important, and this network may not be readily available to new entrants as they take time to develop.

¹³ Compiled and Calculated by Converging Knowledge

¹⁴ Please refer to TÜV's website for more information on their testing and certification services: <https://www.tuvsud.com/>
Retrieved 15 August 2025

R&D, Technical Expertise, and Experienced Marketing Team

Adhesive manufacturers are required to engage in research and development (“R&D”) to design new formulations in line with footwear manufacturing needs, especially with the growing importance of sustainable materials. The more established adhesive manufacturers either incorporate their own R&D or collaborate with other players in the footwear supply chain to develop innovative bonding solutions for more advanced footwear materials. An experienced marketing team is indispensable to providing customer support. Nonetheless, new entrants may not readily have the resources needed.

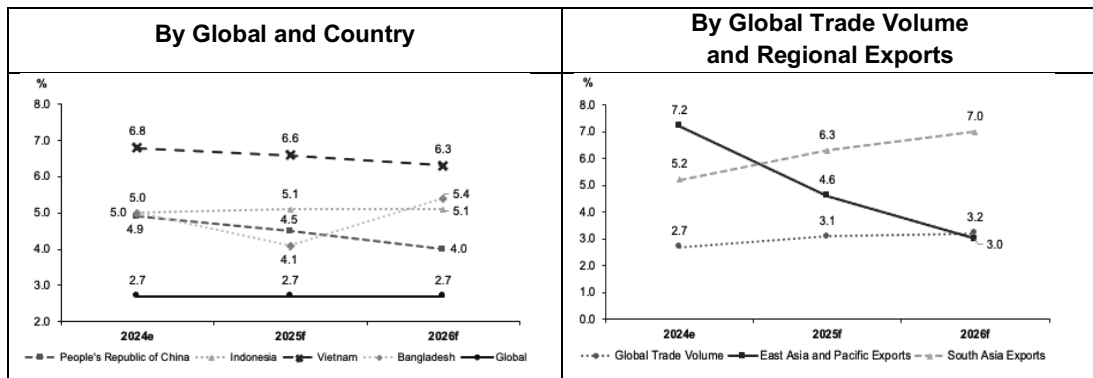
1.5 Outlook and Growth Forecast in Asia

1.5.1 Industry Outlook and Prospects

Impact of an Uncertain Economic Outlook on Footwear Manufacturing

Asia’s economic outlook is projected to be modest¹⁵. Real GDP across the four Asian economies is expected to rise YoY above the global real GDP projection; export growth projections will increase from 3.0% to 7.0%. However, global trade policies, especially protectionist and other retaliatory measures, could significantly impede growth momentum. Manufacturers of footwear and footwear adhesives would need to reassess their supply chain strategies to mitigate the impact on their inventory and bottom-line.

Figure 3: Real GDP Growth Forecast, 2024 to 2026



Source: Compiled by Converging Knowledge¹⁶

¹⁵ Compiled by Converging Knowledge. January 2025, The World Bank Group, Global Economic Prospects – <https://openknowledge.worldbank.org/server/api/core/bitstreams/f983c12d-d43c-4e41-997e-252ec6b87dbd/content> Retrieved 15 August 2025

Footwear for Specific Activities is Increasingly Popular With Consumers

Footwear targeted at specific activities is becoming increasingly popular with consumers in the PRC, Vietnam, and Indonesia. Niche running and outdoor footwear brands are preferred; running and hiking shoes from local brands are highly popular. Casual footwear is gaining traction amongst Indonesian consumers as it complements the modest fashion in the Muslim-majority country. The robust demand for casual and comfortable footwear in the forecast period will have a positive influence on shoe manufacturing activities and adhesives manufacturers alike.

Innovative Bonding Solutions in Automated Footwear Manufacturing

Automated footwear adhesive spraying relies on cutting-edge technologies to reduce product quality fluctuations and wastage. The growing adoption of automation in footwear manufacturing has created a new demand for specialised adhesives. Adhesive makers in the PRC and Vietnam are developing new bonding solutions for automated footwear applications without compromising on quality. Such developments offer new opportunities for adhesive makers.

Sustainable Footwear Manufacturing Developments in Key Asian Markets

The adoption of sustainable manufacturing practices is becoming increasingly important. Vietnam and Indonesia are stepping up their green footwear manufacturing initiatives to maintain or improve their export competitiveness. Vietnam introduced a policy roadmap to develop its Textiles and Clothing, Leather and Footwear (TCLF) industries based on the circular economy model¹⁷; local Indonesian shoemakers have adopted natural materials. Leading Asian footwear producers are increasingly adopting sustainable manufacturing practices, paving the way for expanding the green footprint.

Improve Local Sourcing Capabilities to Boost Footwear Manufacturing

The high reliance on raw material imports is the key limiting factor of manufacturing in Vietnam, Indonesia, and Bangladesh. As such, these countries are working on improving their local sourcing capabilities to reduce the impact of high input costs. Vietnam is planning a raw materials hub; Indonesia has attracted 200 foreign raw material suppliers; Bangladesh aims to produce one-third of some 150 items required for footwear manufacturing at the Bangladesh Shoe City Limited (BSCL)¹⁸. The shifts are likely to have a positive impact on the local production of shoe adhesives.

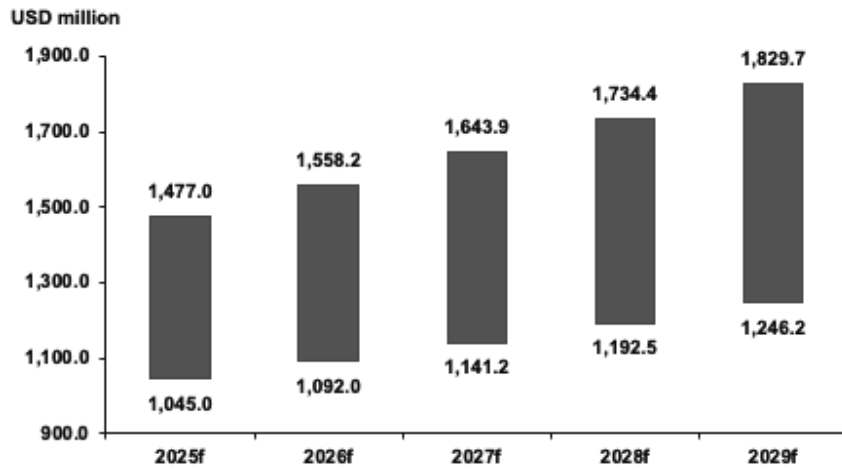
¹⁷ In English: Decision No. 1643/QĐ-TTg dated December 29, 2022 on Approval for the Strategy for Development of Vietnam's Textiles and Clothing, Leather and Footwear Industries to 2030, Vision to 2035. The full policy document is available at this link: <https://lawnet.vn/en/vb/Decision-1643-QD-TTg-2022-the-strategy-for-development-of-textiles-and-clothing-industries-876AD.html> Retrieved 15 August 2025

¹⁸ Bangladesh Shoe City Limited - <https://bangladeshshoecity.com/> Retrieved 16 September 2024.

1.5.2 Estimated Growth Forecast in the Next 5 Years (in %)

Asia is likely to maintain its market leadership in footwear manufacturing. This will drive up the demand for shoe ancillary components. Further growth is influenced by the rebound in global trade; robust consumer demand for athletic and casual shoes; growing adoption of automated footwear bonding; sustainable manufacturing practices; as well as improved local raw material sourcing capabilities. The market size of the Footwear Adhesives Industry in Asia is projected to increase at a CAGR of 4.5% to 5.5%^ in the next five years (2025-2029) and reach USD1.2 billion to USD1.8 billion by 2029.

Figure 4: Forecasted Market Size of the Footwear Adhesives Industry in Asia, 2025 to 2029



Source: Converging Knowledge

^ The projected CAGR of 4.5% to 5.5% was derived as a result of the market audit, which was carried out using secondary sources and primary interviews. Secondary sources were consulted to understand external research findings and projections, and audited statements of leading private players were analysed, taking into consideration market trends and major events. A range of estimated projections was derived and subsequently tested with players through primary interviews.

2. OVERVIEW OF THE ADHESIVE INDUSTRY IN ASIA

The Adhesive Industry plays a critical role across all sectors, as adhesives are widely used in manufacturing and construction processes to bond different components together. The term “adhesive” refers to any substance that possesses bonding qualities, by attaching the surfaces of two or more items together and resisting detachment. Some adhesives can improve the stiffness and strength of joints, and have properties such as cohesion, adhesion, and resistance to temperature, solvents, and moisture. Examples of adhesives include, but are not limited to, glue, paste and cement, amongst others, and differ broadly in chemical composition, physical form and structure. Today, adhesives are used in various industries, such as footwear, construction, healthcare equipment, packaging, aerospace and ground transportation. They are also used in our daily lives, and are commonly used to stick things together, repair broken objects, and support creative undertakings.

With Asia contributing to more than half of the world’s manufacturing, the Adhesive Industry is equally significant in this region. This study centres on industrial adhesives used in footwear manufacturing, with a focus on sports and vulcanised footwear¹⁹.

2.1 The Adhesive Industry Segment for Footwear

The Glue that Transforms Materials into a Complete Shoe

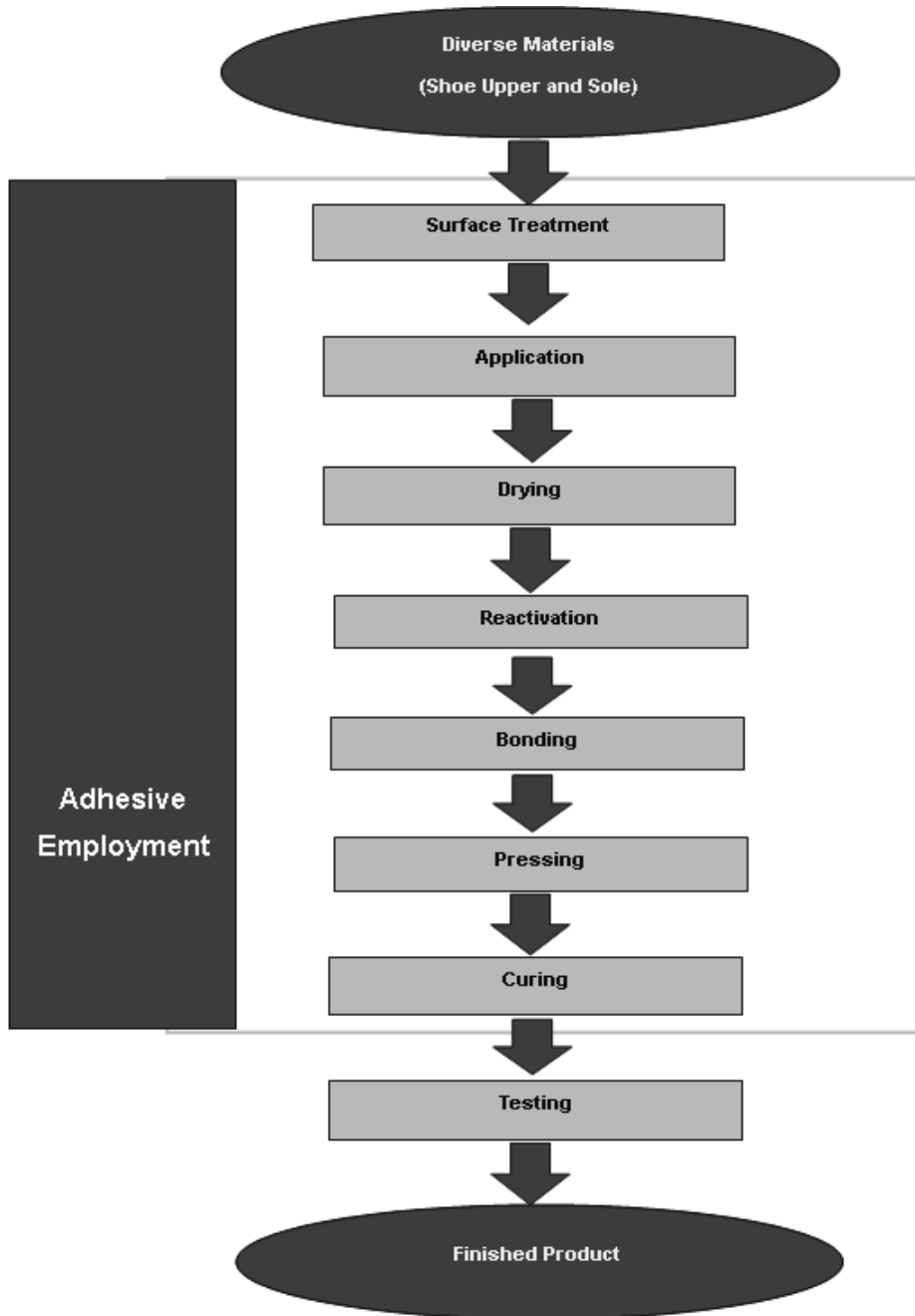
Adhesives for footwear, often referred to as the “shoe glue” to the layman, are an essential part of footwear production. Previously laboriously stitched by hand, developments in the manufacturing methods and materials have paved the way for mass production of footwear. Today, footwear consists of the processing and assembly of diverse components and a wide range of materials. Adhesives, thus, play a key role in bringing the different parts to form a shoe together as a whole.

The figure below provides a simplified illustration of the adhesive application process and may differ from factory to factory, subject to other factors such as the type of materials and adhesive methodology used. For example, some adhesive methodologies do not need drying after

¹⁹ Vulcanised footwear takes reference from the production process of the rubber shoe soles called “vulcanisation”. This entails the process of treating crude or synthetic rubber or similar plastic material chemically, to give it useful properties, such as elasticity, strength, and stability.

application. The figure below shows how critical the adhesion employment process is in the manufacturing of footwear.

Figure 5: Process of Adhesive Application in Footwear Manufacturing (Simplified)



Source: Converging Knowledge

Surface treatment

The objective of surface treatment is to increase the compatibility between the sole materials and the adhesives. Primers, which are often polyurethane and polychloroprene adhesive solutions, help promote adhesion. Choosing the optimum adhesive is not always an easy task because of material diversity. Surface treatments often influence material selection in shoe construction, increasing the complexity of the manufacturing process but enhancing the bond between materials. Primers are often featured as one of the products sold by established adhesive companies for surface treatment.

Application

It is important to apply the glue correctly, using the appropriate amounts and ensuring evenness. This is to avoid skipping or going beyond the marked tracks of the soles. In addition, the thicker the adhesive layer is applied, the more water and liquids will need to evaporate. This, thus, prolongs the drying and curing times.

Drying and Reactivation

Drying is the loss of all liquid components from the applied adhesive layer. This not only means the evaporation of the water or solvent added to make the adhesive liquid, but also the liquid absorbed by the shoe materials. After drying, the next stage involves reactivation of the glue itself, where temperature and length of time are determined by the need to soften the adhesive film and not the sole, enabling rapid development of bond strength.

Bonding and Pressing

In this process, the upper sole is joined to the soles. The two parts are placed in the desired position and pressed together under an appropriate amount of force. Pressing is another step that firms the bonding process. Most bonding failures occur due to poor attachments.

Curing

The adhesive is fully crystallised at this stage. The characteristics of the adhesive are changed through this process, building a strong bond. Hardeners are often mixed with adhesives as part of the curing process. They are also often sold by established adhesive companies. Curing is a process common in vulcanised shoes, where the soles are made from chemically treated rubber.

Footwear Adhesives Impact on the Form and Function

Adhesives are formulated with several types of substances that will provide different performance to the final product. Not only do they influence the materials that are jointed, but also, they affect the application method, the type of surface treatment, the adhesion, cohesive and creep strength²⁰ as well as the wetting, drying time, amongst others. Ineffectiveness in adhesive and cementing can result in structural issues, causing the footwear to fall apart, which by itself is a significant quality problem.²¹ Overflowing of glues, glue marks and inadequate cementing are common visual symptoms of this issue. Footwear manufacturers require adhesives that provide strong bonding strength to ensure the durability and longevity of the shoe. Shoe adhesives should also have excellent resistance to moisture, heat and chemicals to withstand different environmental conditions.

High-End versus Low-End Adhesives

Not all adhesives are made equal. As such, the choice of adhesives used for footwear is critical in determining whether the finished product would be durable, flexible and long-lasting. A significant differentiating factor is the chemical composition of the adhesive, which decides the type of bonds formed with the other molecules. As such, any small change in the adhesive's chemical composition could greatly impact the strength and effectiveness of the product. Players that offer high-end adhesives are more knowledge-driven compared to those dealing with low-end adhesives. These high-end adhesive players engage in a deeper understanding of chemical compositions, and invest in research and development ("R&D") to analyse and study the composition of chemicals and their interaction with different material types. These organisations are constantly upgrading and researching materials that are up and coming in the market, and closely monitor changes in consumer trends and demands. The grade of adhesives will determine the compatibility with the make of the shoe materials and ultimately, the quality of the finished shoe. Established brand names of footwear are often perceived to be of, and equate with, quality products and as such, would not compromise on the quality of their raw materials.

²⁰ Creep Strength refers to materials' ability to resist deformation or rupture over a long period of time while subject to stresses levels.

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2.2 Relevant Key Statistics

Majority of Footwear Exports are from Asia

Footwear exports (applicable to sports and vulcanised shoes) increased from USD31.5 billion in 2020 to USD41.0 billion in 2024, which represented a CAGR of 6.8%. The top three export countries over the past five years were from Asia, which accounted for nearly half (49.0%) of the total in 2024. Vietnam has maintained its lead as the world's top source and export country of footwear, where exports grew from USD6.5 billion in 2020 to USD11.4 billion in 2024, at a CAGR of 15.1%. Indonesia, which ranked second in 2024, recorded a modest CAGR at 8.9% (2020-2024: USD3.4 billion to USD4.8 billion). This was followed by the People's Republic of China ("PRC"), which experienced double-digit growth between USD2.6 billion in 2020 and USD3.9 billion in 2024 (CAGR: 10.2%). Bangladesh was the 6th largest country of footwear exports from Asia at USD532.6 million in 2024. Asia continues to be the main source of footwear manufacturing and exports to the world. As manufacturing volume rises, Asia is likely to increase demand for shoe ancillary products such as adhesives.

Table 2: Top 10 Footwear Exports from Asia (in USD million), 2020 to 2024

Rank (2024)		Countries/ Regions	In USD million					CAGR
World	Asia		2020	2021	2022	2023	2024	
1	1	Vietnam	6,521.5	6,755.3	9,655.5	7,337.4	11,444.3	15.1%
2	2	Indonesia	3,415.2	4,738.6	5,898.2	4,414.6	4,798.8	8.9%
3	3	People's Republic of China	2,623.4	3,655.6	4,697.3	4,218.9	3,863.5	10.2%
9	4	India	943.0	1,222.3	1,496.2	1,104.5	1,075.7	3.3%
11	5	Hong Kong SAR	563.5	844.2	910.0	657.0	726.4	6.6%
13	6	Bangladesh	407.2	523.8	661.2	537.9	532.6	6.9%
14	7	Cambodia	291.0	431.7	603.4	458.8	532.1	16.3%
25	8	Singapore	164.4	191.9	266.5	256.6	213.8	6.8%
35	9	Thailand	79.5	123.8	123.7	88.6	87.3	2.4%
37	10	Malaysia	39.1	41.9	58.7	69.7	74.1	17.3%
Rest of World			16,421.4	18,060.5	18,796.4	19,076.6	17,657.5	-
Total			31,469.2	36,589.7	43,167.1	38,220.7	41,006.1	6.8%

Notes:

- Numbers may not add up due to rounding.
- Tabulated based on the following HS Codes:

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- HS640219 - Sports footwear with outer soles and uppers of rubber or plastics (excl. waterproof footwear of heading 6401, ski-boots, cross-country ski footwear, snowboard boots and skating boots with ice or roller skates attached).
- HS640319 - Sports footwear, with outer soles of rubber, plastics, leather or composition leather and uppers of leather (excl. ski-boots, cross-country ski footwear, snowboard boots and skating boots with ice or roller skates attached).
- HS640391 - Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather, covering the ankle (excl. incorporating a protective metal toe cap, sports footwear, orthopaedic footwear and toy footwear).
- HS640411 - Sports footwear, incl. tennis shoes, basketball shoes, gym shoes, training shoes and the like, with outer soles of rubber or plastics and uppers of textile materials.
- Further data breakdown is not available.

Source: Compiled by Converging Knowledge²²

Industrial Adhesive Imports in Asia

Apart from footwear, industrial adhesives are used in a wide range of manufacturing industries, including automotives, building and construction, consumer goods, electronics, packaging, as well as textiles. Global imports of industrial adhesives rose from USD7.8 billion in 2020 to USD9.4 billion in 2024, which represented a CAGR of 4.7% within the period. Industrial adhesive imports to Asian countries comprise at least 30.0% of the world's total between 2020 and 2024²³. The PRC remained the world's largest industrial adhesive importer over the past five years, accounting for at least 15.0% of the total between 2020 and 2024²⁴. Vietnam was the other Asian country in the global Top 10 list, with industrial adhesive imports recording the highest CAGR of 23.5% (2020-2024: USD219.2 million to USD510.8 million). Industrial adhesive imports to Bangladesh had the third-highest CAGR among the Asian countries at 7.9% (2020-2024: USD36.6 million to USD49.7 million). Industrial adhesive imports reflect the level of manufacturing activities, where the PRC continues to be the world's largest industrial goods producer. The uptrend of industrial adhesive imports in Vietnam and Bangladesh reflected a rising level of manufacturing activities in these countries as well.

Table 3: Top 10 Industrial Adhesive Importers in Asia (in USD million), 2020 to 2024

Rank (2024)		Countries/ Regions	In USD million					CAGR
World	Asia		2020	2021	2022	2023	2024	
1	1	People's Republic of China	1,779.5	2,001.1	1,670.4	1,397.9	1,584.6	-2.9%
4	2	Vietnam	219.2	290.2	272.3	225.2	510.8	23.5%
10	3	Hong Kong SAR	251.8	325.0	180.0	175.0	218.7	-3.5%

²² Trade Map, International Trade Centre, www.trademap.org. Retrieved 15 August 2025

²³ Computed by Converging Knowledge.

²⁴ Computed by Converging Knowledge.

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Rank (2024)		Countries/ Regions	In USD million					CAGR
World	Asia		2020	2021	2022	2023	2024	
14	4	Taiwan	217.0	228.8	175.5	138.7	169.5	-6.0%
15	5	India	86.7	136.1	168.8	150.6	158.4	16.2%
18	6	South Korea	178.4	181.1	169.3	149.9	156.0	-3.3%
21	7	Indonesia	88.1	105.0	109.1	96.4	111.7	6.1%
24	8	Malaysia	74.5	95.5	95.6	84.9	89.7	4.8%
27	9	Thailand	76.9	94.1	88.7	78.7	79.9	1.0%
36	10	Bangladesh	36.6	55.6	62.4	50.9	49.7	7.9%
Rest of World			4,613.2	5,567.6	6,220.3	5,921.3	6,004.2	-
Total			7,847.6	9,332.9	9,497.2	8,735.6	9,412.6	4.7%

Notes:

- Numbers may not add up due to rounding.
- Tabulated based on HS Code 350691 (6-digit) - Adhesives based on polymers of headings 3901 to 3913 or on rubber (excl. put up for retail sale with a net weight of <= 1 kg).

Source: Compiled by Converging Knowledge²⁵

Industrial Adhesive Exports from Asia

Global industrial adhesive exports had grown from USD7.7 billion in 2020 to USD9.4 billion in 2024, at a CAGR of 5.1%. Asia accounted for at least 30.0% of the world's total industrial adhesive exports within the period, where exports in the region expanded from USD2,892.4 million in 2020 to USD3,351.6 million in 2024. The PRC remained as Asia's largest industrial adhesive exporter over the past five years, having increased its market share from USD1.1 billion in 2020 to USD1.7 billion in 2024, at a CAGR of 9.6%. India was the only country amongst the Top 10 Asian industrial adhesive exporters with a double-digit CAGR of 17.1% (2020-2024: USD41.7 million to USD78.3 million). This was followed by Malaysia, which recorded a robust CAGR figure of 9.5% (2020-2024: USD97.5 million to USD140.1 million) within the period.

The overall industrial adhesive exports in Asia (USD2,892.4 million to USD3,351.6 million) were slightly behind imports (USD3.2 billion to USD3.4 billion) between 2020 and 2024²⁶. This could imply that the supply of industrial adhesives has not kept up with the level of manufacturing activities in certain parts of Asia, as observed in Vietnam and India, highlighting greater demand.

²⁵ Trade Map, International Trade Centre, www.trademap.org. Retrieved 15 August 2025

²⁶ Computed by Converging Knowledge.

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There were variances amongst the Top 10 Asian exporters and importers of industrial adhesives, such as the PRC, where exports (USD1,657.0 million) overtook imports (USD1,584.6 million) in 2024.

Table 4: Top 10 Industrial Adhesive Exports from Asia (in USD million), 2020 to 2024

Rank (2024)		Countries/ Regions	In USD million					CAGR
World	Asia		2020	2021	2022	2023	2024	
2	1	People's Republic of China	1,146.4	1,415.2	1,528.0	1,436.7	1,657.0	9.6%
5	2	South Korea	455.3	510.5	413.1	410.5	462.8	0.4%
8	3	Japan	305.4	350.1	302.8	269.2	293.0	-1.0%
10	4	Taiwan	284.2	316.9	273.2	225.7	255.5	-2.6%
11	5	Hong Kong SAR	297.0	377.8	220.5	207.4	246.7	-4.5%
16	6	Malaysia	97.5	153.2	170.4	144.1	140.1	9.5%
18	7	Singapore	161.9	187.9	121.3	89.2	111.3	-8.9%
22	8	India	41.7	55.3	78.6	71.6	78.3	17.1%
23	9	Vietnam	48.0	67.9	80.0	62.2	52.4	2.2%
29	10	Thailand	31.7	36.0	42.3	29.7	31.0	-0.5%
Rest of World			4,777.5	5,785.8	6,221.3	5,845.8	6,015.0	-
Total			7,669.9	9,282.9	9,477.8	8,816.3	9,366.6	5.1%

Notes:

- Numbers may not add up due to rounding.
- Tabulated based on HS Code 350691 (6-digit) - Adhesives based on polymers of headings 3901 to 3913 or on rubber (excl. put up for retail sale with a net weight of <= 1 kg).

Source: Compiled by Converging Knowledge²⁷

Macroeconomic Indicators

This section covers key macroeconomic indicators of the selected countries - the PRC, Indonesia, Vietnam and Bangladesh – that are of interest to Infinity Development Holdings Company Limited in this report. The PRC is the largest economy in Asia and the second largest in the world after the United States of America (“USA”) based on real Gross Domestic Product

²⁷ Trade Map, International Trade Centre, www.trademap.org. Retrieved 15 August 2025

(“GDP”) in 2024. GDP performance across the four Asian countries reflected an overall upward trajectory between 2020 and 2024 despite the slowdown in economic activities during the COVID-19 pandemic (2020-2021). Both real GDP per capita and household expenditure in the four Asian economies also increased over the past five years. In terms of population, the PRC had the second-largest population in the world after India in 2024. GDP metrics indicate that economic production has generally expanded over the last five years, which is positive for footwear manufacturing and adhesives that are used during the production process. Economic growth, a sizable population, and household expenditure uptrend are likely to create a positive influence on the demand for discretionary goods such as footwear and their ancillary products, including adhesives that are required in the manufacturing process.

The PRC

In the PRC’s economy, real GDP per capita and household expenditure recorded the highest growth rates among the four Asian countries. Real GDP of the PRC economy expanded from USD14.6 trillion in 2020 to USD18.5 trillion in 2024, at a CAGR of 6.1% within the period. The country also has the largest real GDP per capita amongst the four economies, which increased from USD10,358.2 to USD13,121.7 (CAGR: 6.1%) between 2020 and 2024. In terms of population, the PRC has the second-largest population in the world after India, at 1.4 billion in 2024. As Asia’s largest economy, the PRC also retained its lead in household expenditure, which grew from USD5.7 trillion in 2020 to USD7.2 trillion in 2023 (CAGR: 8.0%).

Indonesia

Indonesia was the fourth-largest Asian economy after the PRC, Japan, and India in 2024. Indonesia’s real GDP grew from USD1.0 trillion to USD1.2 trillion between 2020 and 2024 (CAGR: 4.8%), whereas real GDP per capita increased from USD3,780.1 to USD4,367.9 within the same period (CAGR: 3.7%). In terms of population, Indonesia was Asia’s third-most populous country at 283.5 million persons in 2024. Household spending in Indonesia increased from USD586.9 billion in 2020 to USD659.3 billion in 2023 (2020-2023 CAGR: 4.0%), and continued to rise in the following year to USD693.1 billion in 2024 (2020-2024 CAGR: 4.2%).

Vietnam

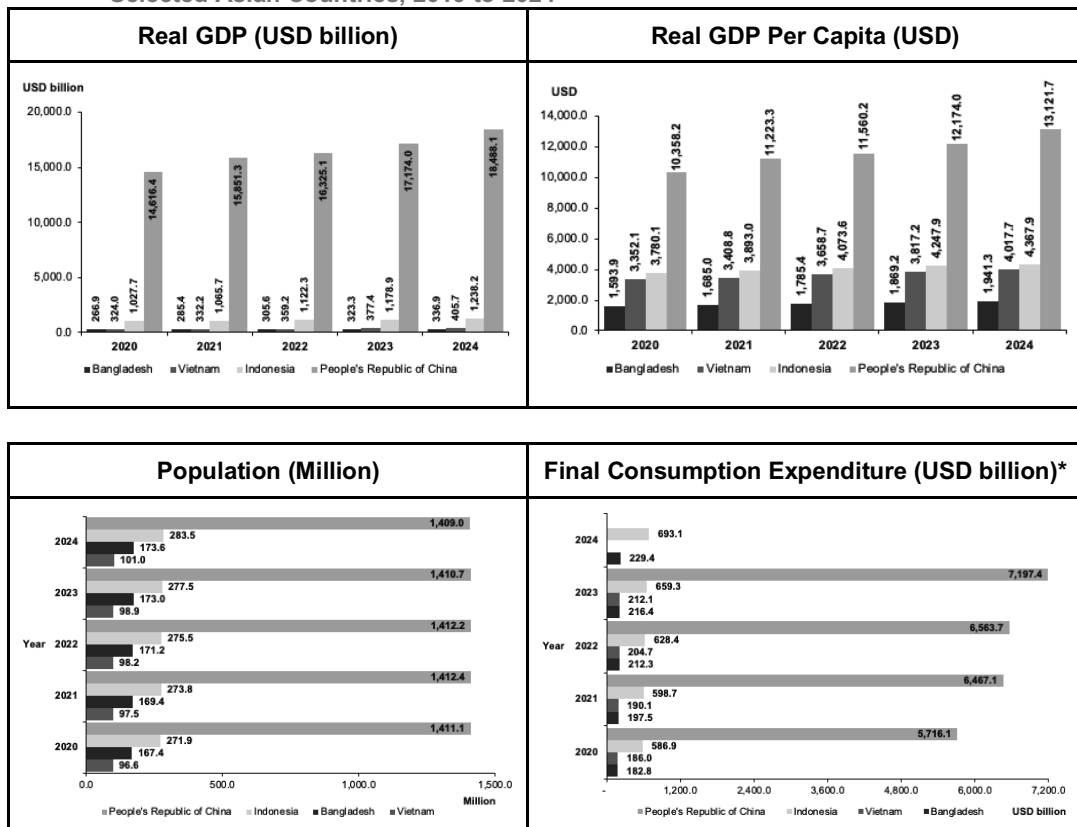
Vietnam’s real GDP expanded from USD324.0 billion in 2020 to USD405.7 billion in 2024 (CAGR: 5.8%), and GDP per capita increased from USD3,352.1 to USD4,017.7 within the same period (CAGR: 4.6%). Vietnam’s population was ranked the eighth largest in Asia in 2024, at 101.0 million persons. Household expenditure in Vietnam grew at a steady pace between 2020 and 2023, from USD186.0 billion to USD212.1 billion (CAGR: 4.5%).

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Bangladesh

Bangladesh's economy, real GDP per capita, and household expenditure recorded the second-highest growth rates among the four Asian countries. Its economy expanded at a CAGR of 6.0% (2020-2024: USD266.9 billion to USD336.9 billion) and real GDP per capita recorded a CAGR of 5.1% between 2020 and 2024, from USD1,593.9 to USD1,941.3. Bangladesh has a fairly large population, ranked the fifth largest in Asia at 173.6 million in 2024. Household spending increased from USD182.8 billion in 2020 to USD216.4 billion in 2023 at a CAGR of 5.8%. Household expenditure continued to rise in the following year to reach USD229.4 billion in 2024 (2020-2024 CAGR: 5.8%).

Figure 6: GDP, GDP Per Capita, Population, and Final Consumption Expenditure of Selected Asian Countries, 2019 to 2024



Notes:

- * 2023 is the latest data available for the PRC and Vietnam. 2024 is the latest for the other countries.
- GDP, GDP Per Capita, and Final Consumption Expenditure data are in Constant 2015 US\$.
- Household and NPISHs final consumption expenditure (formerly private consumption) is the market value of all goods and services, including durable products (such as cars, washing machines, and home computers), purchased by households. It excludes purchases of dwellings but includes imputed rent for owner-occupied dwellings. It also includes payments and fees to governments to obtain permits and licences. This indicator includes the expenditures of nonprofit institutions serving households (NPISHs) even when reported separately by the country.

Source: Compiled by Converging Knowledge²⁸

2.3 Industry Structure

This section presents and discusses the different segments of the footwear adhesives industry and provides insights as to where Infinity Development Holdings Company Limited (“Infinity”) is positioned within.

2.3.1 Description of Differing Segments in the Industry

The Footwear Adhesives Industry may be segregated based on: (1) the type of adhesive solutions, and (2) the category of footwear these adhesives are applied on.

Types of Adhesive Solutions

In the footwear manufacturing industry, there are generally five main types of adhesive solutions used, as depicted in the table below.

Table 5: The Differing Segments in the Footwear Adhesives Industry, Based on the Five Broad Types of Adhesives

Types of Adhesive Solutions	Brief Description
Solvent-based Adhesives	Solvent-based adhesives use organic solvents (such as mineral spirits) as the primary solvent. Examples of a solvent-based adhesive are the polyurethane (“PU”) adhesive and the synthetic rubber adhesive.
Water-based/ Solvent-free Adhesives	Water-based adhesives use water as the primary mixer. Solvent-free adhesives are water-based with less harmful solvents in the adhesive. They are becoming increasingly popular due to their environmentally friendly nature, and ease of use.
Hot melt Adhesives	Hot-melt adhesives are generally polymer-based. They usually come in 100% solid form and are applied in a molten state. They contain neither solvent nor water.

²⁸ The World Bank Group, GDP (Constant 2015 US\$) - <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD>, GDP Per Capita (Constant 2015 US\$) - <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD>, Total Population - <https://data.worldbank.org/indicator/SP.POP.TOTL?view=chart>, and Final Consumption Expenditure Households and NPISHs (Constant 2015 US\$) - <https://data.worldbank.org/indicator/NE.CON.PRVT.KD> Retrieved 15 August 2025.

Types of Adhesive Solutions	Brief Description
Radiation-cured Adhesives	Radiation-cured adhesives are also often referred to as UV (ultraviolet), UV cured or UV light adhesives. They are usually available in epoxy and acrylate formulations and are cured using UV or electron beam (EB) radiation.
Bio-based Adhesives	Recyclable formulations use bio-based materials (bio-sourced and biodegradable materials).

Source: Compilation by Converging Knowledge

Categories of Footwear that Adhesives are Applied on

Adhesives are applied in almost all types of footwear, be it on a small part or most critical adhesive joints. The efficacy of adhesives is dependent on the shoe materials and function. Each type of footwear is made up of different common base materials that encompass foam, leather, plastic, rubber, synthetic components, and textile, each with their own distinct physical properties. This becomes complex when dealing with several types of different materials. In the case of sports shoes, fabric such as knit or mesh is usually used in the uppers²⁹; plastic for the midsoles³⁰, followed by rubber in the outsoles³¹. Rubber adhesives may not work well with the other non-rubber materials in this scenario. Likewise, high temperatures are deployed in the manufacturing of vulcanised shoes, which necessitates the need for heat-resistant adhesives. Footwear function is another important consideration when evaluating the effectiveness of an adhesive. Athletic footwear adhesives need to withstand strong impact from the wearer's repeated movement as well as environmental conditions such as moisture and heat. Aesthetics take priority in dress shoes, and thus, their adhesives should be subtle without compromising on the design appeal and bonding strength. The table provides a summary of the main types of footwear where adhesives are applied.

Table 6: Main Types of Footwear

Main Types of Footwear	Brief Description
Sports Shoes	Sports shoes, also known as athletic footwear, focus on the comfort, flexibility, performance, and safety of the wearer. They are designed mainly for exercise and sports activities, such as running, basketball, gymnastics, tennis, and many others. Nowadays, sports shoes are also worn for recreational purposes (e.g., dancing and walking). They have

²⁹ Uppers refer to the part of the shoe that covers the tops and sides of one's feet.

³⁰ Midsoles separate the uppers from the bottom part of the shoe.

³¹ Outsoles comprise the bottom part of the shoe that comes into contact with the ground surface.

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Main Types of Footwear	Brief Description
	emerged as part of the casual fashion trend in recent years, attracting consumers with their colourful designs.
Vulcanised Shoes	<p>Typically used for rubber, vulcanisation is a process that strengthens the properties of natural rubber through heating or other means of chemical treatment. As a result, vulcanised rubber is more durable and flexible. Vulcanised shoes are known as the classic design for sneakers popularised by brands such as Converse and Vans. A typical vulcanised footwear design features a thin flat bottom rubber outsole and visible seams.</p> <p>Vulcanised shoes focus on flexibility and comfort, allowing wearers to have better movement control. They are designed mainly for recreational activities such as skateboarding, urban dancing, or walking. As part of the casual fashion trend, vulcanised shoes appeal to both younger consumers and collectors for their retro and urban designs. However, their relatively thin and flat outsole may not provide sufficient support or impact protection as compared to sports shoes or boots.</p>
Dress Shoes	Dress shoes are usually worn at smart casual or formal events. This category excludes sports shoes, sneakers, boots, or any style of footwear that exposes one's feet such as flat sandals and flip-flops. Dress shoes are typically made out of leather, but non-leather materials are also used in modern designs. Some examples include oxfords and loafers (men); pumps, slingbacks, and high-heeled sandals (ladies).
Boots	Boots are relatively strong and heavy shoes that cover the ankle which may reach up to one's knee. The bottom part of the boots typically features thick outsoles. Fashion boots focus more on the aesthetics and may feature an elevated heel, such as women's high heeled boots. Boots are also worn for a specific activity, such as hiking, riding, or snowboarding. Safety and work boots emphasise on the wearer's comfort and protection, usually in the workplace setting. Safety boots have varying levels of features that prevent foot injuries, be it from slippery surfaces, corrosive materials, as well as sharp or heavy objects.
Mules	Mule is defined as shoes without a back or fastening around one's foot or heel. Traditionally, mules are indoor shoes but have since evolved for outdoor wear as well. Common examples include slippers, flip-flops, and sandals. Some mules may be classified as dress shoes if they are made out of leather (men) or have a high heel (ladies). Flat and non-leather mules are typically worn during non-formal settings.

Source: Compilation by Converging Knowledge

2.3.2 Description of Infinity Development Holdings Company Limited ("Infinity") Within the Industry Sector

Infinity is a well-established adhesive manufacturer, having been in operation for the past 35 years. Over the years, the Group's experienced management has established strong relationships with major clients, through its commitment and stringent adherence to quality and technical service, strong research and development capabilities. Its brand names 'Zhong Bu' and 'Centresin' footwear adhesives have grown in recognition for quality footwear adhesives, serving major Original Design Manufacturers ("ODMs"), which in turn, work with global footwear brands such as Nike, adidas, New Balance, Skechers, Converse, Puma, VF, and so on.

The Group's 'Zhongbu' and 'Centresin' brand of footwear adhesives have grown to include both solvent-based as well as environmentally friendly water-based adhesives, in line with market demands and specifications of its major clients. R&D is central to Infinity's technological capabilities in raising its product quality, staying abreast with and supporting market trends and stringent client demands through product development.

Demonstrating its commitment to grow with its clients and serve them as closely as possible and provide the best support, Infinity has since established production plants in Vietnam, Indonesia, and the PRC.

3 COMPETITIVE LANDSCAPE IN ASIA (WITH FOCUS ON THE PRC & VIETNAM)

3.1 Level of Competition in the Industry

Competition is highly intensive in the Adhesive Industry, particularly in the PRC, due to the presence of many players and diverse product offerings. There are over 400 PRC adhesive and tape manufacturers in 2024. Larger players in the PRC comprise both foreign and domestic adhesive manufacturers that serve many industrial applications apart from footwear, such as electronics and construction. However, competition in Vietnam is limited to a handful of foreign adhesive manufacturers of higher-quality products. Conversely, local players in Vietnam are relatively small and lack the matching technical know-how and competencies.

The Footwear Adhesives Industry is a specialised segment of the larger industrial adhesives market, where players differentiate themselves by product (e.g., solvent, water, or hot melt) and end-use applications (i.e., different types of footwear). The industry competes based on several factors such as price, quality, technical sales support, and environmental-friendly offerings, amongst others. The more established players tend to incorporate R&D, maintain close proximity to footwear manufacturers, possess deep technical expertise, as well as forge strong relationships with their suppliers. Larger players may also diversify their adhesive offerings to other industrial applications beyond footwear and/ or participate in upstream raw material supply to control input costs. Some of the pertinent factors are discussed further below.

Price and Quality

Pricing is a key consideration for footwear manufacturers that seek to control costs associated with production, raw material input, and the use of ancillary products such as adhesives in the shoemaking process. Adhesive products are priced differently depending on their base materials and formulation. Lower-priced alternatives tend to be made of cheaper materials that may not work optimally. In the case of footwear, this might result in a higher incidence of debonding, which affects the quality of the finished product. The final adhesive price is also reliant on other products used in the application process, namely primers and hardeners, that are used for surface treatment, to reduce curing time, and enhance the overall adhesive durability. The more established footwear adhesive manufacturers can deliver competitively priced products without compromising on production time and quality of the finished product.

Environmental-Friendly Offerings

The wider adhesives market is shifting away from solvent-based types due to their impact on the environment and health. Such a move has resulted in a growing number of footwear adhesive manufacturers that offer environmentally friendly alternatives, such as water-based and toluene-free adhesives. The shift is more pronounced in the PRC due to the government's regulations in favour of environmental-friendly alternatives, while Vietnamese footwear manufacturers are seeking to mitigate the environmental impact of their products to comply with requirements in the export destinations (refer to the sections on Major Trends in Asia and Outlook). Therefore, footwear adhesive manufacturers with environmentally friendly offerings are better placed to tap into this growing demand.

Product Research and Development (“R&D”)

The more established footwear adhesive manufacturers actively engage in R&D to produce new formulations that improve the drying, curing and bonding time, as well as reduce wastage, amongst other benefits. Footwear adhesive manufacturers usually involve R&D collaboration with other stakeholders involved in the shoemaking process, such as footwear manufacturers, designers and footwear material suppliers. Product innovation is especially important for enhancing the performance of water-based adhesives, given their longer drying time compared to their solvent-based alternatives. Certain water-based adhesives, such as polyurethane (PU) types, require an extra step of heating to remove moisture in order to complete the bonding. Some larger players may also patent their adhesive technologies and formulations to reflect technical competencies and commitment to quality assurance.

Proximity, Technical Expertise and Strong Relationship With Stakeholders

Footwear adhesive manufacturers are usually located close to their clients' factories to minimise logistical hiccups, particularly so during the COVID-19 pandemic lockdowns and factory closures. The more established players tend to operate more than one factory located in key footwear manufacturing countries such as the PRC and Vietnam, as well as cost-effective alternatives in Indonesia and Bangladesh. Some larger players, especially adhesive manufacturers that serve a wide range of industrial applications beyond footwear, may operate one main factory or several production facilities within the country, particularly in large countries such as the PRC. Running a marketing team armed with technical expertise is important in after-sales support when clients run into product problems, as delays or defects could be detrimental to footwear manufacturers. The more established footwear adhesive manufacturers also maintain a strong relationship network with their suppliers and clients to minimise supply chain disruptions.

Product Diversification and Vertical Integration of Supply Chain

Larger adhesive manufacturers may serve a wide range of industrial applications beyond footwear, such as automotives, construction, consumer packaging, electronics and textiles. In the PRC and Vietnam, adhesive manufacturers tend to diversify their product offerings as added segments of revenue growth. To keep costs low, the more established players also produce raw materials such as polymers that are used to manufacture adhesives. Footwear adhesive manufacturers with an integrated supply chain can thus price their products competitively as part of a comprehensive package.

3.2 Major Players in the Industry

The Adhesive Industry is highly competitive and fragmented due to the presence of many players with diverse offerings for several industrial applications, apart from footwear. The level of competition varies across different countries. As discussed above, there are over 400 adhesive and tape manufacturers serving a wide range of industrial applications in the PRC as compared with Vietnam, where competition is limited to a handful of foreign players (refer to the section on Level of Competition in the Industry).

Major players are broadly classified into three categories – international, regional, and local. International players have a global market presence and factories located in different continents. Such adhesive manufacturers typically serve a wide range of industrial applications beyond footwear. Regional players have a presence in at least one other country apart from their place of origin within the same continent. Local players mainly operate and serve clients within their place of origin.

There is a relatively small number of manufacturers that specialise in footwear adhesives in the PRC despite the presence of many adhesive and tape players. As such, the PRC's competitive landscape is mainly dominated by the larger international and local adhesive manufacturers that serve the footwear segment. Vietnam also has a limited number of footwear adhesive manufacturers, with its competitive landscape mainly dominated by the larger international and regional players. Vietnamese players tend to be footwear manufacturers that produce adhesives as part of their wider offerings, such as Dinh Vang Co., Ltd., a leather footwear manufacturer.

It is not uncommon for local footwear manufacturers to venture into adhesives as seen in Vietnam. Footwear adhesive manufacturers also compete against other players within the larger Footwear Industry itself. This includes manufacturers of shoes, their ancillary components (such as midsoles, outsoles, toe puffs, and counters), as well as adhesive raw materials (such as resins and polymers). Likewise, footwear adhesive manufacturers seeking to gain a competitive

edge may expand into other parts of the footwear manufacturing supply chain, leading to a highly fragmented market.

In view of the above, the following players have been excluded from the peer benchmarking (see section on Peer Benchmarking):

- International adhesive manufacturers where footwear adhesives constitute a relatively small portion (< 10.0%) of their revenue. Some examples are Henkel AG & Co KGaA (Germany) and HB Fuller Company (USA).
- Regional/ local adhesive manufacturers with a limited footwear segment (< 20.0% of their total revenue) as well as those that do not have a strong presence in two of the top three footwear export countries, the PRC and/ or Vietnam.
- Raw material, footwear or other shoe component manufacturers that produce adhesives but are not part of their core offerings.

3.2.1 Peer Benchmarking (Competitive advantage of Client against competitors)

The Footwear Adhesives Industry is highly competitive and fragmented, with players offering products across several industrial applications beyond footwear. In addition, footwear adhesive manufacturers also compete against other players primarily engaged in other parts of the footwear manufacturing supply chain, encompassing raw material, footwear, and shoe components.

The peer benchmarking shortlists manufacturers of footwear adhesives as a core offering, where the segment contributes to 50% or more of their revenue. A further exclusion is made as this list focuses on Asian players only, and thus, international adhesive manufacturers, regardless of their presence in Asia, are excluded from this peer benchmarking. A total of six companies were identified and categorised based on their factory presence, footwear adhesive technologies, as well as types of footwear. Information on their estimated revenue is also provided in the table below.

APPENDIX F – INDUSTRY REPORT

Table 7: Major Asian Players in the Footwear Adhesives Industry

Company Name	Principal Place of Business	Revenue#	Factory Presence##			Footwear Adhesive Technologies				Footwear Types		
			PRC	VN	INDO	Water	Solvent	Hot Melt	Others	Sports	Vulcan	Others
Infinity Development Holdings Company Limited	Hong Kong SAR	XX	✓	✓	✓	✓	✓	✓			✓	✓
Nanpao Resins Chemical Co., Ltd.	Taiwan	XXXX	✓	✓	✓	✓	✓	✓			✓	✓
Great Eastern Resins Industrial Co., Ltd.	Taiwan	XXX	✓	✓	✓	✓	✓	✓			✓	✓
Hwa Pao Resins Chemical Co., Ltd.	Taiwan	X	✓	✓	✓	✓	✓	✓			✓	✓
Assems Inc.	South Korea	X	✓	✓	✓			✓			✓	✓
Guangdong Pearfield & Bali Technology Co., Ltd.	PRC	XX	✓			✓	✓				✓	✓

Notes:

Figures are denominated in USD million and based on financial information reported in the latest fiscal year (FY).

- X - < USD50 million
- XX - USD50 million to USD149 million
- XXX - USD150 million to USD249 million
- XXXX - ≥ USD250 million

Some of these players may have factories in countries other than the three countries listed above (PRC, Vietnam, and Indonesia). These countries were selected as they are among the top footwear-exporting countries.

- Legend: VN - Vietnam; INDO - Indonesia; Vulcan - Vulcanised.
- Footwear Adhesive Technologies - 'Others' comprise radiation-cured, bio-based, and other types of adhesives not classified elsewhere.
- Footwear Types - 'Others' comprise dress shoes, boots, mules, and other types of footwear not classified elsewhere.
- Company names are not listed in any particular order.
- Peers in the table cover manufacturers of footwear adhesives as a core offering, where the segment contributes to 50% or more of their revenue. This list focuses on Asian players only.
- Infinity Development Holdings Company Limited manufactures UV radiation treatment agents. It is currently working with raw material suppliers to develop products containing bio-based materials.
- The table only covers the major players with Asian place of origin. It excludes major players originating outside of Asia, and yet has a significant presence/ business in the region.

Source: Compiled by Converging Knowledge

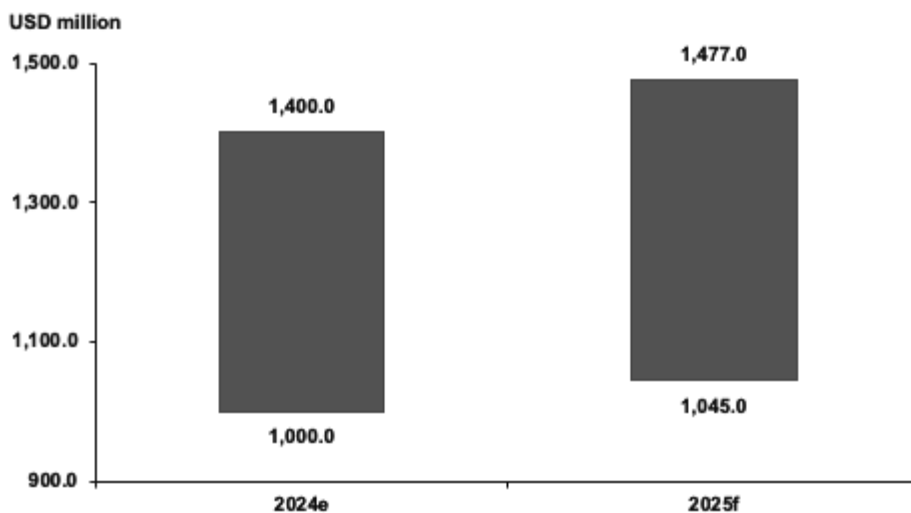
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4 ESTIMATED MARKET SIZE IN ASIA

4.1 Estimated Market Size of Footwear Adhesives

The Footwear Adhesives Industry in Asia is closely linked to footwear manufacturing and consumption trends. Asia produces at least 9 out of 10 pairs of shoes, thus demonstrating the region’s status as the world’s leading footwear manufacturer. Footwear demand remained robust, with the top three countries from Asia (namely Vietnam, Indonesia, and the PRC) accounting for nearly half of the world’s total share of footwear exports in 2024. Major trends in Asia’s Footwear Adhesives Industry pertained to the growing demand for high-performance and sustainable adhesives. Elsewhere in Asia, Bangladesh has emerged as an upcoming alternative to the aforementioned footwear manufacturing exporters, especially the PRC and Vietnam. Athletic footwear remained at the forefront of footwear consumption demand, supported by the post-pandemic resumption of sporting events, health consciousness among consumers, and the growing appeal of e-commerce livestreaming in Asia. In line with these developments, the market size of Footwear Adhesives in Asia was estimated to be worth around USD1,000.0 million to USD1,400.0 million in 2024 and is expected to reach between USD1,045.0 million and USD1,477.0 million in 2025, at a year-on-year growth of 4.5% to 5.5%.

Figure 7: Estimated Market Size of the Footwear Adhesives Industry in Asia, 2024 to 2025



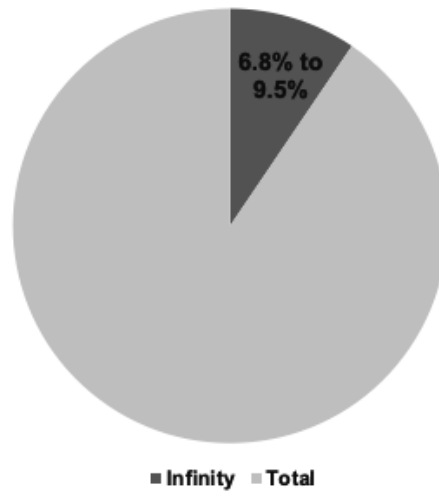
Note: 'e' - estimated; 'f' - forecast.

Source: Converging Knowledge

4.2 Estimated Market Share of the Company

Infinity is one of the Top 4 players in the footwear adhesives industry in Asia, based on market audit and interviews*, and its market share was estimated to make up approximately 6.8% to 9.5% of Asia’s Footwear Adhesives Industry in 2024.

Figure 8: Estimated Market Share of Infinity Development Holdings Company Limited, 2024



Source: Converging Knowledge

* The market audit involved both secondary sources and primary interviews. On secondary sources, the names of the leading players in the industry were filtered from a long list that was generated from sweeping through business databases, directories, trade association websites, industry reports, the media as well as stock exchanges in the four countries that are of interest to Infinity Development Holdings Company Limited, namely the PRC, Vietnam, Indonesia, and Bangladesh. Audited financial statements of the leading private players were purchased, where available. In cases where there were no financial filings or a breakdown in financial information, estimates were derived from primary interviews with industry players, reported financial data from publicly-listed companies, and other secondary sources of information. Consequently, the findings were consolidated, triangulated, and tabulated to identify the top players.

5 MAJOR TRENDS IN ASIA (WITH FOCUS ON VIETNAM, THE PRC, INDONESIA & BANGLADESH)

5.1 Regional/Local Trends

Demand for High-Performance Adhesives Driven by High Quality and Comfortable Footwear

Polyurethane (“PU”) is one of the common types of adhesives in footwear mainly used in the joint areas, such as the upper and sole of a shoe, in which such parts require high strength resistance. High performance adhesives, such as PU, provide flexible and durable bond for sports and vulcanised shoes that are often subject to repeated stress and environmental conditions (such as heat and moisture) without compromising on the wearer’s comfort, foot movement, and safety. Consumers swapping out of their formal and office attire for casual wear amidst hybrid working arrangements, as well as prioritising their comfort and well-being were some trends that emerged and habits that remained after the COVID-19 pandemic. Athletic shoes, for example, are no longer just for sports activities, but increasingly adopted by consumers in their daily routines. To cater to this growing demand for high quality and comfortable footwear, adhesive manufacturers created innovative PU bonding solutions to improve footwear manufacturing process efficiency. Some examples include single component PU³² to simplify the bonding process and water-based PU adhesives that enhance initial tack performance³³, thus integrating lightweight and temperature-sensitive materials into more complex and high-quality shoe designs.

Greater Focus on Sustainable Adhesives

Solvent-based adhesives contain volatile organic compounds (“VOC”) that react with nitrogen oxide in the air to form smog. Such environmental problems result in pollution and global warming, and can cause respiratory problems at high concentration levels. As such, the Adhesive Industry has taken steps to reduce or better yet, eliminate VOC content with sustainable alternatives. Adhesive manufacturers are focusing on hotmelt and water-based adhesives, in particular, for their low toxicity and non-flammable properties. The PRC government has introduced policy initiatives in support of sustainable and advanced adhesives,

³² Single component adhesives are ready-to-use and usually require heat or moisture to initiate the chemical process of crystallisation (also known as curing) after the adhesive is applied. During curing, the adhesive gains its final properties and forms a strong bond.

³³ Tack is a measurement of how quickly a bond is formed when two surfaces are brought together when an adhesive is applied. The faster the two surfaces bond together, the higher the tack performance.

such as the Industry Structural Reforms Guidance List (2019 Edition)³⁴, which encourages the development and manufacturing of water-based and hotmelt adhesives, eco-friendly additives, as well as other sustainable new fine chemicals. This was reinforced under the 14th Five-Year Plan Energy Conservation and Emission Reduction Work Plan in 2022³⁵, which aimed to reduce the use of solvent-based adhesives by 20% in 2025 with a greater focus on low-VOC adhesives. There are growth opportunities in other developing Asian countries such as Indonesia and Vietnam, where larger adhesive manufacturers have seen a growing interest in hotmelt and water-based adhesives for their high bond strength, ease of application, faster set times, and other benefits.

Health-Conscious Consumers at the Forefront of Demand for High-Quality Footwear

The trend of being more conscious and proactive about keeping a healthy lifestyle has remained prevalent even after the pandemic lockdowns have lifted. For example, health initiatives introduced by Vietnam and the PRC encourage their citizens to take up sporting activities or promote the awareness of exercise and cultivate healthy eating habits. Before the pandemic, Vietnam had introduced a nationwide health programme in 2018 to improve the health and well-being of its citizens by encouraging physical activities, promoting a healthy diet, and minimising the consumption of alcohol and tobacco³⁶. The Chinese government had stepped up efforts to encourage a healthy lifestyle under the recent 14th Five-Year Plan for National Health in 2022³⁷, such as promoting national fitness activities through public education; live exercise demonstrations; opening and sharing of public or school sports venues; and even setting up fitness clinics in public community health institutions, among other policy actions. Likewise, Indonesian consumers are also proactive about their health, as seen in the growing number of individuals taking up fitness routines and sports enthusiasts purchasing specific activity-matching footwear in soccer, tennis, and running. These developments boost the revenues of footwear manufacturers which will create a spillover effect on footwear adhesive manufacturers.

³⁴ In Chinese: 产业结构调整目录 (2019) 年版. The full policy document is available on the PRC government's website at this link: https://www.gov.cn/zhengce/2021-12/27/content_5713262.htm Retrieved 15 August 2025

³⁵ In Chinese: “十四五”节能减碳综合工作方案. The full policy document is available on the PRC government's website at this link: https://www.gov.cn/zhengce/content/2022-01/24/content_5670202.htm Retrieved 15 August 2025

³⁶ 7 September 2018, Ministry of Health Vietnam, National Health Programme to Improve Vietnamese Well-Being and Stature - https://moh.gov.vn/web/ministry-of-health/top-news/-/asset_publisher/EPLuO8YEhk19/content/national-health-programme-to-improve-vietnamese-well-being-and-stature?inheritRedirect=false Retrieved 15 August 2025

³⁷ In Chinese: “十四五”国民健康规划. The full policy document is available on the PRC government's website at this link: https://www.ndrc.gov.cn/fqgz/fzzlqh/gjjzxqh/202206/t20220601_1326725.html Retrieved 15 August 2025

‘Shoe City’ to Elevate Bangladesh’s Status as Global Footwear Manufacturing Hub

Bangladesh, the 6th largest source of footwear exports from Asia, at USD532.6 million in 2024³⁸, has emerged as an upcoming lower-cost alternative to the common footwear manufacturing hotspots in the PRC and Vietnam, on the basis of raw material and labour. According to local reports, footwear formed the largest share of Bangladesh’s non-leather goods sector, worth at least USD500 million in 2022. The Bangladesh Investment Development Authority (BIDA) aimed to increase non-leather footwear exports to USD2 billion by 2030. One of the recent notable key developments is the construction of a 35-acre footwear manufacturing complex in Gazipur, the first of its kind in the country³⁹. The Bangladesh Shoe City Limited (“BSCL”) project endeavours to consolidate shoe manufacturing activities within a single hub, to accommodate at least 20 factories, and is estimated to be worth around USD100 million. The range of products manufactured in this facility encompasses footwear as well as adhesives, outsoles, synthetic materials, and packaging, among other key ancillary components used in shoe manufacturing. The local media reported five footwear and shoe component manufacturers operating in the BSCL, underpinned by over 10 foreign investors (from the PRC, Japan, Taiwan, and Europe) that have signed memorandums of understanding (MOUs). When fully operational in 2030, the BSCL would increase Bangladesh’s attractiveness as a global footwear manufacturer.

5.2 Key Industry Drivers

Post-Pandemic Sporting Events Help Boost Demand for Athletic Footwear

The resumption of sporting events with a live audience after the pandemic lockdown has reignited a wave of interest in athletic footwear among consumers. Some of these major global or regional sporting events include the Beijing Winter Olympics (2022), Southeast Asian Games (2022 and 2023), and the Paris Summer Olympics (2024). It was widely reported that Nike increased their marketing expenditure for the 2024 Paris Summer Olympics, their largest as compared to the other Games from the previous years. adidas had also ramped up its marketing campaign leading up to the 2024 Paris Summer Olympics, such as expanding its performance footwear selection across a wider range of sports disciplines. Initial reports suggested that these marketing efforts were positive on sales, especially when national teams or athletes sponsored by a particular sports brand maintain a winning streak or present themselves as style icons. Performance footwear is also gaining traction in local sporting events. In Vietnam for example, sporting events in the past year (2023) such as the Dalat Music Run, Techcombank Marathon,

³⁸ Computed by Converging Knowledge based on data from International Trade Statistics

³⁹ Bangladesh Shoe City Limited - <https://bangladeshshoecity.com/> Retrieved 15 August 2025

and Vinfast Ironman 70.3. Such events attracted strong interest from both local consumers and foreign tourists, who travelled specifically to participate in these events. As a supporting industry for athletic shoe manufacturers, adhesive manufacturers with performance footwear capabilities are likely to benefit from this growing demand.

E-Commerce Livestreaming in Driving Consumer Footwear Demand

Online shopping has grown exponentially during the pandemic, boosted by the emergence of livestreaming. The PRC is the world's largest eCommerce market with an estimated value of over USD2.0 trillion in 2024. Indonesia has the largest eCommerce market in Southeast Asia, worth USD65 billion, followed by Vietnam, as the third largest, with an estimated worth of USD22 billion in 2024⁴⁰. Ecommerce livestreaming or 'live shopping' has taken off in these countries, popularised by the short video social media app Douyin (抖音). Ecommerce livestreaming offers viewers various perks, such as time-limited discounts that expire at the end of the stream. The app provides a streamlined one-stop online shopping experience for users. Douyin, which is marketed internationally as TikTok, is one of the most popular social media platforms in the PRC that boasts a monthly user base of an estimated 700 million in 2024. Leading sports footwear brands such as Li-Ning and Fila unveiled new product launches on Douyin with notable success in 2023. Ecommerce livestreams are also appealing to consumers in Indonesia and Vietnam for their use of widespread discounts and promotions; customisation; as well as the concept of 'entertainment shopping'. For example, the TikTok Shop feature allows consumers to engage directly with Indonesia's footwear companies by making personalised requests such as product try-ons, outfit combinations and compatibility, as well as size comparisons. Sellers in Vietnam are also incorporating mini-games and sales events in their livestreams to attract consumer spending. As live shopping continues to drive up footwear sales, this is likely to create a positive demand for shoe ancillary products such as adhesives.

⁴⁰ In terms of Gross Merchandise Value (GMV). Google, Temasek, and Bain, e-Conomy SEA 2024 - https://services.google.com/fh/files/misc/e_conomy_sea_2024_report.pdf Retrieved 15 August 2025

6 CHALLENGES AND BARRIERS TO ENTRY

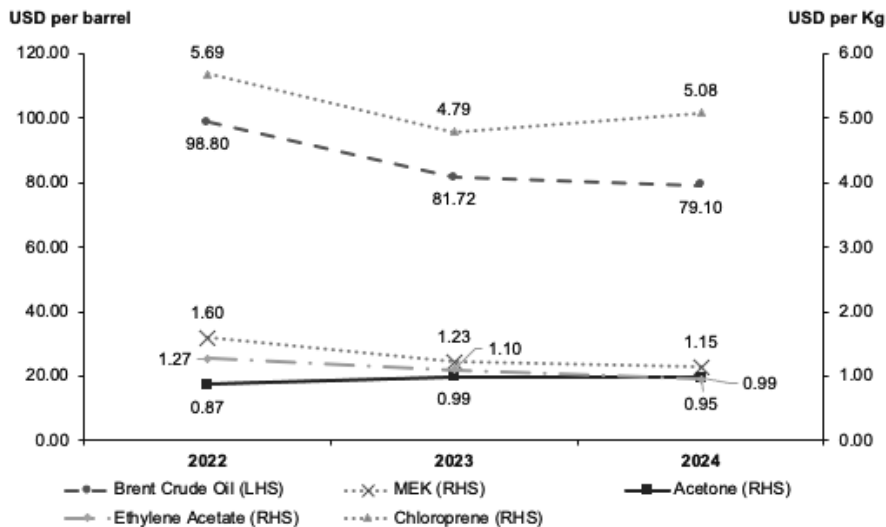
This section examines the challenges and barriers to entry in the Footwear Adhesives Industry, with a focus on Vietnam, the PRC, Indonesia and Bangladesh.

6.1 Challenges

Raw Material Costs Fluctuations

Key raw materials used in adhesives, such as methyl ethyl ketone (MEK), acetone, and polyester polyol, are derivatives of crude oil. As a result, the cost of these raw materials was influenced by the fluctuations in international oil prices over the past three years (2022-2024). Brent crude oil average prices fell from their peak at USD98.80 per barrel in 2022 to USD79.10 per barrel in 2024. The price volatility was attributed to the post-pandemic recovery of global economic activities, rising inflationary pressures, and major geopolitical events such as the Russia-Ukraine War, among other factors. Key adhesive feedstock prices had declined slightly, with the exception of acetone, which increased from USD0.87 per Kg in 2022 to USD0.99 in 2023 and 2024. Chloroprene prices had fallen from USD5.69 per Kg in 2022 to USD4.79 per Kg in 2023, before increasing to USD5.08 per Kg in 2024, as seen in the figure below. Raw material price volatility creates uncertainty, which could affect the profitability of adhesive manufacturers.

Figure 9: Average Prices of Brent Crude Oil (per barrel) and Selected Raw Materials (per Kg), 2022 to 2024



Notes:

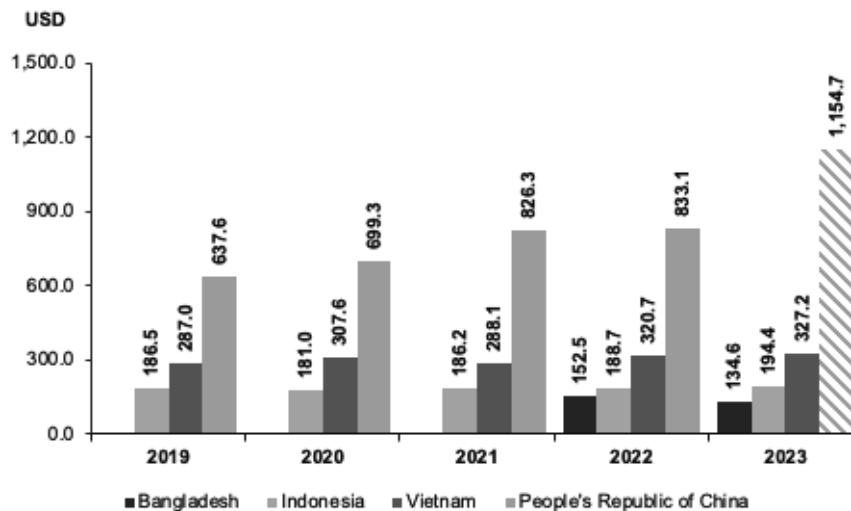
- 'LHS' - Left Hand Side; 'RHS' - Right Hand Side.
- Brent crude oil data is tabulated based on the average prices as at the last day of each month.
- Currency conversions based on rates as at the last date of each year.

Source: Compiled and calculated by Converging Knowledge⁴¹

Rising Labour Costs

Wages had risen in the past five years (2019-2023), which raised labour costs for businesses. The PRC recorded the highest average monthly earnings of workers employed in the manufacturing sector, which nearly doubled from USD637.60 in 2019 to approximately USD1,154.7 in 2023. Vietnam recorded the second-highest average monthly earnings, which grew at a CAGR of 3.3% (2019-2023: USD287.00 to USD327.20), followed by Indonesia at a CAGR of 1.0% (2019-2023: USD186.50 to USD194.40). The high wages observed in the PRC have prompted manufacturers to relocate their factories to other countries with lower labour costs, such as Vietnam and Bangladesh.

Figure 10: Average Monthly Earnings of Employees in Manufacturing, 2019 to 2023



Notes:

- 2023 is the latest data available, except for the PRC, where the latest data available is 2022. The figure for 2023 is estimated. 2019-2021 data for Bangladesh is not available.
- The earnings of employees relate to the gross remuneration in cash and in kind paid to employees, as a rule at regular intervals, for time worked or work done together with remuneration for time not worked, such as annual vacation, other type of paid leave or holidays. Earnings exclude employers' contributions in respect of

⁴¹ Trading Economics, Brent Crude Oil Prices - <https://tradingeconomics.com/commodity/brent-crude-oil> Retrieved 15 August 2025

their employees paid to social security and pension schemes and also the benefits received by employees under these schemes. Earnings also exclude severance and termination pay. Data is converted to US dollars as the common currency using exchange rates.

Source: Compiled by Converging Knowledge⁴²

Supply Chain Disruptions

The pandemic and geopolitical risks also contributed to the higher costs of adhesives and their oil-derived raw material inputs. During the COVID-19 outbreak, government stop-work and movement restriction orders in the PRC and Vietnam caused factories to suspend operations for a few days up to several months. The restrictions resulted in supply-demand disparities such as contract cancellations with raw material suppliers and deferred shipments to end-clients. When the lockdown lifted and factories gradually resumed operations, order fulfilment faced further logistical complications, such as backlog of shipments in port terminals and shortage of shipping containers. The post-pandemic recovery of the global supply chain was impeded further by the ongoing invasion of Russia in Ukraine. As Russia is a major oil-producing country, the conflict resulted in greater volatility in crude oil prices amidst a shortfall in global supply that was exacerbated by Western sanctions. Manufacturers are required to maintain a higher inventory buffer, seek out alternate suppliers, or even consider producing raw materials to become self-sufficient and to mitigate supply chain disruptions.

Environmental Regulations and Safety Concerns Related to VOCs

The environmental impact and health hazards posed by VOCs have led to stricter regulations on their use and emissions by governments around the world. The PRC has stepped up its VOC enforcement in recent years, such as introducing the new mandatory standards in 2020, which targeted VOCs across various product categories such as adhesives, cleaning agents, coatings, and inks⁴³. The VOC standards in adhesives vary depending on the product type (solvent-based, water-based, or bulk) and industry application⁴⁴. There are also specific VOC standards for adhesives in certain industries, such as footwear and bags⁴⁵. Workers in footwear

⁴² ILOSTAT, Average Monthly Earnings of Employees by Sex and Economic Activity - Annual - https://rshiny.ilo.org/dataexplorer56/?lang=en&id=EAR_4MTH_SEX_ECO_CUR_NB_A Retrieved 15 August 2025

⁴³ In Chinese: 2020 年挥发性有机物治理攻坚方案. 23 June 2020, Ministry of Ecology and Environment of the People's Republic of China, 关于印发《2020 年挥发性有机物治理攻坚方案》的通知 - https://www.mee.gov.cn/xxgk/xxgk03/202006/t20200624_785827.html?from=timeline Retrieved 15 August 2025

⁴⁴ In Chinese: 胶粘剂挥发性有机化合物限量. The full document is available on the State Administration for Market Regulation's website at this link: <https://std.samr.gov.cn/gb/search/gbDetailed?id=A0285713F6201875E05397BE0A0AFAC0> Retrieved 15 August 2025

⁴⁵ In Chinese: 鞋和箱包用胶粘剂. The full document is available on the State Administration for Market Regulation's website at this link: <https://std.samr.gov.cn/gb/search/gbDetailed?id=71F772D7F330D3A7E05397BE0A0AB82A> Retrieved 15 August 2025

manufacturing are often exposed to high levels of VOC in shoe materials that can cause toxic gas poisoning. While regulations have helped to reduce the number of incidents to a certain extent, mass poisoning can still occur in an enclosed factory environment, such as a severe case in 2019 where more than 100 shoe factory workers inhaled toxic fumes in Vietnam. These developments indicated that footwear adhesive manufacturers are required to comply with VOC regulations as well as to consider the wider impact of their products on stakeholders (e.g., shoe factory workers and consumers) in their formulations.

6.2 Barriers to Entry

Venturing into manufacturing in the Footwear Adhesives Industry, as with all types of manufacturing, requires significant capital to start the business and the infrastructure. However, the key barriers that differentiate the success of footwear adhesive manufacturers among its peers include, but are not limited to, the rigorous and stringent process of becoming an approved supplier to having invested deep knowledge and expertise, as detailed below.

A Rigorous Process to Become a Supplier of International Footwear Manufacturers

Adhesive manufacturers must have the right certifications and meet the stipulated requirements set by the respective footwear manufacturers to become their approved supplier. For example, the International Organisation for Standardisation (“ISO”) certifications for Quality Management Systems (ISO 9001)⁴⁶ and Environmental Management Systems (ISO 14001)⁴⁷ are commonly adopted by manufacturers to reinforce their commitment to quality and control processes, energy savings, as well as waste reduction in their business activities. The more established adhesive manufacturers also have industry-specific certifications for their products and raw materials from agencies such as Société Générale de Surveillance SA (SAS)⁴⁸ and TÜV Rheinland (TÜV SÜD)⁴⁹. In addition, international footwear brands have very strict standards where suppliers are subject to several rounds of testing and regular audit checks, both of which are rigorous and very time-consuming. Manufacturers such as Nike and adidas also require their new and potential suppliers to be vetted, where they must meet the minimum grading or certain standards to be considered. Vendors may also be required to abide by a restricted

⁴⁶ The latest version is ISO 9001:2015. The full standards are available on ISO’s website at this link: <https://www.iso.org/standard/62085.html> Retrieved 15 August 2025

⁴⁷ The latest version is ISO 14001:2015. The full standards are available on ISO’s website at this link: <https://www.iso.org/standard/60857.html> Retrieved 15 August 2025

⁴⁸ Please refer to the SAS website for more information on their testing and certification services: <https://www.sgs.com/> Retrieved 15 August 2025

⁴⁹ Please refer to TÜV’s website for more information on their testing and certification services: <https://www.tuvsud.com/> Retrieved 15 August 2025

materials list, whereby footwear adhesive manufacturers must ensure that their formulations comply with the stipulated requirements. As such, the barrier to entry is extremely high for new entrants seeking to serve these international footwear brands.

Importance of Establishing and Maintaining Supplier and Customer Relationships

The more established adhesive manufacturers can tap into their existing network with suppliers and customers, which have been developed over the course of several years or even decades, in order to deal with force majeure such as COVID-19 pandemic. Transparent and frequent communication with suppliers and end-clients are necessary to understand their capabilities, planned forecasts, and develop contingency plans. Logistical issues such as the strategic location of inventory and transportation arrangements must also be considered in the sourcing of raw materials and delivery to end-clients. For example, adhesive manufacturers need to cater to alternate sources of supply during disruptions and transportation arrangements to a Client's factory, which could be located in a different country. Therefore, maintaining close relationships with supply chain partners is important and this network may not be readily available to new entrants as they take time to develop. Having an experienced technical sales team to provide support is also important, as customers may run into problems when using the adhesive during the manufacturing process, where any delay or disruption in production lines would have a negative impact on footwear manufacturers. New entrants may not possess the technical knowledge and product experience, which takes years to develop, in order to advise clients when they experience problems during shoe production.

R&D Technical Expertise and Experienced Marketing Team

Adhesive manufacturers are required to engage in research and development ("R&D") to design new formulations in line with footwear manufacturing needs, especially in relation to environmental compliance, the growing importance of sustainable materials, and other relevant market trends in the overall Footwear Industry. The R&D team is involved in the adhesive manufacturing process from product development and testing to post-sales support. The R&D team kickstarts the initial product development process based on their customer's requests and other special requirements to formulate a sample. In footwear manufacturing, the bonding of footwear substrates is complex and even more so for athletic and high-performance shoes, which are made of different materials that may not bond easily. The R&D team then conducts several rounds of in-house laboratory and/ or onsite testing on the product sample for specifications such as colour, viscosity, and VOC emission levels. After passing the in-house testing phase, the sample is delivered to the customer for trial production, followed by purchase barring any issues. The R&D team also provides post-sales support to address customer feedback on the product and any other further special requirements, such as formulations with varying desired qualities. Apart from their customers (footwear manufacturers), the more

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established adhesive manufacturers may collaborate with other players in the footwear supply chain, such as their peers (footwear adhesive manufacturers), to remain at the forefront of footwear manufacturing needs and develop innovative bonding solutions for more advanced footwear materials. New entrants may not readily possess a rigorous R&D process and the technical knowledge that takes time to develop, as well as the high investment costs required for R&D.

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7 OUTLOOK AND GROWTH FORECAST IN ASIA

Growth for the demand for adhesives is expected to continue. The market size of the Footwear Adhesives Industry in Asia is projected to increase at a CAGR of 4.5% to 5.5% in the next five years (2025-2029) to reach USD1.2 billion to USD1.8 billion by 2029.

7.1 Outlook of Industry and Prospects (with focus on Vietnam, the PRC, Indonesia and Bangladesh)

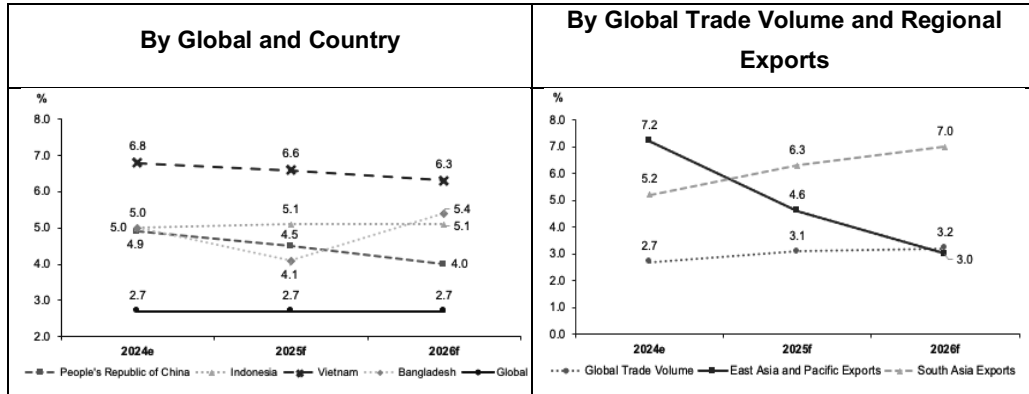
Impact of an Uncertain Economic Outlook on Footwear Manufacturing

Asia's economic outlook is projected to be modest in the next two years (2025-2026). According to the World Bank's projections, real GDP across the four Asian economies - Vietnam, the PRC, Indonesia and Bangladesh - is expected to rise year-on-year between 2025 and 2026, in the range between 4.0% and 7.0%. These figures remain above the global real GDP projection of 2.7% for the same period due to reasons such as global trade recovery and stronger economic activity. In line with the global trade rebound, export growth projections across the East Asia and Pacific as well as South Asia regions will increase from 3.0% to 7.0% in the next two years (2025-2026).

However, the World Bank cautioned that global trade policies, especially protectionist and other retaliatory measures, could significantly impede the growth momentum in export-oriented countries across both regions, such as Vietnam. In April 2025, the United States of America ("U.S.") announced that it would impose sweeping tariffs across nearly all imported goods from its trading partners, with the highest tariff rate of 145% imposed on the PRC. Manufacturers of footwear and footwear adhesives operating in countries with high tariff rates would need to reassess their supply chain strategies to mitigate the impact on their inventory and bottom line.

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Figure 11: Real GDP Growth Forecast, 2024 to 2026



Notes:

- 'e' - estimated; 'f' - forecast.
- Data are based on GDP measured in average 2010-19 prices and market exchange rates.
- Real GDP growth at market prices is expressed in terms of percentage (%).
- Trade volume and exports refer to goods and nonfactor services. Further breakdown of export data is not available.
- The following countries/ territories are included in these regional classifications:
 - East Asia and Pacific (23) - East Asia comprises the PRC, Indonesia, Vietnam, Cambodia, Lao PDR, Malaysia, Mongolia, Myanmar, Philippines, Thailand, and Timor-Leste. The Pacific comprises Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.
 - South Asia (7) - Consists of Bangladesh, India, Sri Lanka, Maldives, Nepal, Bhutan, and Pakistan. Data on Afghanistan beyond 2022 are excluded due to a high degree of uncertainty.

Source: Compiled by Converging Knowledge⁵⁰

Footwear for Specific Activities is Increasingly Popular With Consumers

Health consciousness amongst consumers, which became pronounced during the COVID-19 pandemic, is expected to continue driving demand for athletic footwear in the forecast period and beyond. Apart from the international leading brands, footwear targeted at specific activities is also becoming increasingly popular with consumers in the PRC, Vietnam, and Indonesia. For example, niche running and outdoor footwear brands such as HOKA, On, and Salomon are preferred for their specialisations and athleisure purposes by Chinese consumers. Running and hiking shoes from local brands, including Biti's, Canifa, and Vietrek, are highly popular with a growing number of marathons and interest in outdoor trekking events in Vietnam. Casual footwear, such as athletic and vulcanised shoes, is gaining traction amongst Indonesian consumers as they complement well with modest fashion in the Muslim-majority country. This

⁵⁰ January 2025, The World Bank Group, Global Economic Prospects - <https://openknowledge.worldbank.org/server/api/core/bitstreams/f983c12d-d43c-4e41-997e-252ec6b87dbd/content> Retrieved 15 August 2025

growth is propelled by the prevalent athleisure trend in Indonesia, where consumers seek out comfortable footwear suitable for their everyday activities. Women, in particular, are expected to be at the forefront of the higher demand for casual footwear in Indonesia as they are more likely to purchase shoes as well as multiple pairs for specific occasions. The robust demand for casual and comfortable footwear in the forecast period will have a positive influence on shoe manufacturing activities and adhesives manufacturers alike.

Innovative Bonding Solutions in Automated Footwear Manufacturing

Automated footwear adhesive spraying relies on technologies such as industrial robotic arms, 3D modelling, and temperature control systems to map out the application trajectory in enhancing the accuracy of shoe bonding. This greatly reduces product quality fluctuations and wastage associated with inconsistent adhesive applications during manual bonding. The growing adoption of automation in footwear manufacturing has created a new demand for specialised adhesives that can be deployed in such processes. Adhesive makers in the PRC and Vietnam are developing new bonding solutions for automated footwear applications without compromising on the cohesive strength, other key adhesive properties, and overall product quality. Some examples include single-component water-based PU adhesive and single-sided PU reactive hotmelt adhesive for automated or spray applications. Industry players are also exploring ways to introduce nano-based adhesives in footwear manufacturing. These adhesives, which are commonly used in aerospace, contain nanoparticles such as nanofibres and nanotubes that are long-lasting with improved strength and durability as compared to conventional adhesives. Such developments offer new opportunities for adhesive makers to create new formulations as automation gains traction and demand for high-performance materials in footwear manufacturing continues to grow.

Sustainable Footwear Manufacturing Developments in Key Asian Markets

The adoption of sustainable manufacturing practices is becoming increasingly important amongst major Asian footwear manufacturers. Vietnam and Indonesia are stepping up on their green footwear manufacturing initiatives to maintain or improve the export competitiveness of their products. Vietnam introduced a policy roadmap to develop its Textiles and Clothing, Leather and Footwear (TCLF) industries based on the circular economy model, where sustainable practices are incorporated into the value chain from raw material sourcing to manufacturing, logistics, as well as end-product disassembly and recycling⁵¹. Local Indonesian

⁵¹ In English: Decision No. 1643/QĐ-TTg dated December 29, 2022 on Approval for the Strategy for Development of Vietnam's Textiles and Clothing, Leather and Footwear Industries to 2030, Vision to 2035. The full policy document is available at this link: <https://lawnet.vn/en/vb/Decision-1643-QD-TTg-2022-the-strategy-for-development-of-textiles-and-clothing-industries-876AD.html> Retrieved 15 August 2025

shoemakers have emerged as part of a new wave of sustainable footwear manufacturers with the use of natural materials for easier disassembly and recycling to reduce waste. Bangladesh also plans to incorporate sustainable utilities in its upcoming integrated shoe manufacturing complex in Gazipur, such as waste management facilities and renewable energy solutions⁵². Leading Asian footwear producers increasingly adopt sustainable manufacturing practices, paving way for expanding the green footprint to raw materials and shoe ancillary products such as adhesives.

Improve Local Sourcing Capabilities to Boost Footwear Manufacturing

The high reliance on raw material imports, especially synthetic materials, is one of the key factors that limit the growth of footwear manufacturing in Vietnam, Indonesia, and Bangladesh. As such, these countries are working on improving their local sourcing capabilities to reduce the impact of high input costs on their domestic footwear output value. In recent development, Vietnam is considering the idea of setting up a raw materials hub for textiles and footwear to reduce reliance on foreign imports, meet the local sourcing requirements stipulated in free trade agreements, and improve the value-add of locally made products. This hub will be involved in raw materials development, new production technologies, and trading. It is expected to be operational in 2025 after receiving government approval. Indonesia has reportedly managed to attract around 200 foreign raw material suppliers to expand or establish operations in the country, and consequently, encouraged shoemakers such as New Balance to invest in a seventh new factory. Bangladesh also aims to produce at least one-third of some 150 items required in manufacturing a piece of shoe at the upcoming Bangladesh Shoe City Limited (BSCL)⁵³. The shift towards domestic raw material supply in footwear manufacturing is likely to have a positive impact on the local production of shoe adhesives.

7.2 Estimated Growth Forecast in the Next 5 Years (in %)

Asia produces 9 out of 10 pairs of shoes globally and is likely to maintain this lead as the world's leading footwear manufacturing hub within the forecast period. This, in turn, will drive up the demand for shoe ancillary components such as adhesives. Further growth in Asia's footwear adhesive consumption is influenced by the rebound in global trade; robust consumer demand for athletic and casual shoes; growing adoption of automated footwear bonding; sustainable manufacturing practices; as well as improved local raw material sourcing capabilities. The market size of the Footwear Adhesives Industry in Asia is projected to increase at a CAGR of

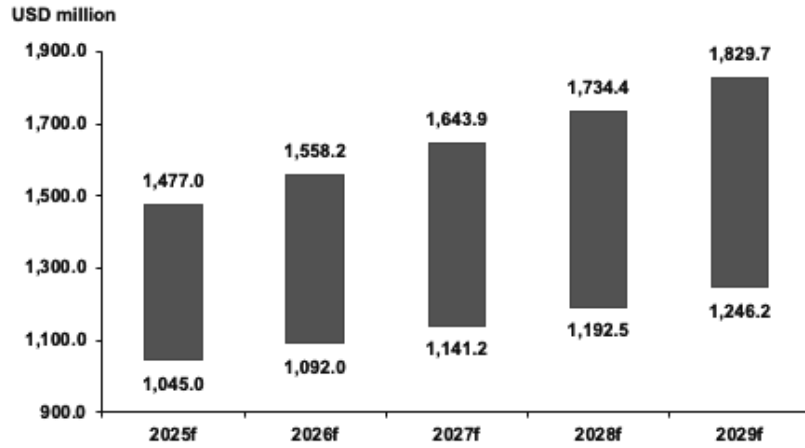
⁵² Bangladesh Shoe City Limited - <https://bangladeshshoecity.com/> Retrieved 15 August 2025

⁵³ Bangladesh Shoe City Limited - <https://bangladeshshoecity.com/> Retrieved 15 August 2025

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4.5% to 5.5%^ in the next five years (2025-2029) to reach USD1.2 billion to USD1.8 billion by 2029.

Figure 12: Forecasted Market Size of the Footwear Adhesives Industry in Asia, 2025 to 2029



Note: 'f' - forecast.

Source: Converging Knowledge

^ The projected CAGR of 4.5% to 5.5% was derived as a result of the market audit, which was carried out using secondary sources and primary interviews. Secondary sources were consulted to understand external research findings and projections, and audited statements of leading private players were analysed, taking into consideration market trends and major events. A range of estimated projections was derived and subsequently tested with players through primary interviews.

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APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for the Placement Shares at the Placement Price for each Placement Share, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF PLACEMENT SHARES WILL BE REJECTED.**
2. Your application for the Placement Shares may only be made by way of the Application Form or other such forms of application as the Sponsor and Issue Manager and/or the Placement Agent may deem appropriate.
3. **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.**
4. **You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Placement Shares. Any separate application by you for the Placement Shares shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Sponsor and Issue Manager, and the Placement Agent, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.**

If you, not being an approved nominee company, have submitted an application for the Placement Shares in your own name, you should not submit any other application for the Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Sponsor and Issue Manager, and the Placement Agent.

Joint and/or multiple applications for the Placement Shares may be rejected at the discretion of our Company, the Sponsor and Issue Manager, and the Placement Agent. If you submit or procure submissions of multiple share applications for the Placement Shares, you may be deemed to have committed an offence under the Penal Code 1871 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary, may be rejected at the discretion of our Company, the Sponsor and Issue Manager, and the Placement Agent.

By completing and delivering the Application Form, you declare that you do not possess more than one (1) individual direct Securities Account with CDP.

5. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Form or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the name of a deceased at the time of application.

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6. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 7 below.
7. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
8. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 9 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you have more than one (1) individual direct Securities Account with CDP, your application shall be rejected.
9. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and/or allocation and other correspondences from CDP will be sent to your address last registered with CDP.**
10. **Our Company, in consultation with the Sponsor and Issue Manager, and the Placement Agent, reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or with the terms and conditions of this Offer Document or which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance or remittances which are not honoured upon their first presentation.**

Each of our Company, the Sponsor and Issue Manager, and the Placement Agent further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Form or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of our Company, the Sponsor and Issue Manager, and the Placement Agent, as agents of our Company have been authorised to accept, for and on behalf of our Company such other forms of application as the Sponsor and Issue Manager, and the Placement Agent deem appropriate.

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11. Our Company, in consultation with the Sponsor and Issue Manager, and the Placement Agent, reserves the right to reject or accept, in whole or in part, or to scale down any application, without assigning any reason therefor, and no enquiry and/or correspondence on our decision of our Company will be entertained. In deciding the basis of allotment which shall be at our discretion, in consultation with the Sponsor and Issue Manager, and the Placement Agent, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
12. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, and subject to the submission of valid application and payment for the Placement Shares, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company, the Sponsor and Issue Manager, and/or the Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee, any instrument of transfer and/or other documents required for the issue or transfer of the Placement Shares allotted to you.
13. In the event a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.
14. Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares and:
 - (a) where the Placement Shares have not been allotted and issued to the applicants, we shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, as the case may be, give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application, and (B) take all reasonable steps to make available within a reasonable period of time the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of the lodgement of the supplementary or replacement offer document, give you a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application; or
 - (iii) (A) treat your application as withdrawn and cancelled, in which case your application shall be deemed to have been withdrawn and cancelled, and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, return all monies you have paid on account of your application for

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the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk and you shall not have any right or claim against our Company, the Sponsor and Issue Manager and/or the Placement Agent; or

- (b) where the Placement Shares have already been allotted and issued but trading has not commenced, we shall either:
- (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, as the case may be, give you notice in writing of how to obtain, or arrange to receive, a copy of the same, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in, and (B) take all reasonable steps to make available within a reasonable period of time the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give you a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in and without any right to claim against our Company, the Sponsor and Issue Manager and/or the Placement Agent; or
 - (iii) (A) treat the issue of the Placement Shares as void in which case the issue of the Placement Shares shall be deemed void, and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, return all monies paid on account of your application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk, and you shall not have any right or claim against our Company, the Sponsor and Issue Manager and/or the Placement Agent. In such case, you shall cease to have any rights to the Placement Shares immediately and you agree that subject to the approval of the HK Share Buy Back Requirements, we shall buy back the Placement Shares at nil consideration, and we shall cancel the Placement Shares upon repurchase.

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

An applicant who wishes to exercise his option under paragraph 14(b)(i) or (ii) above to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to us,

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whereupon we shall, within seven (7) days from the receipt of such notification, pay to him all monies paid by him on account of his application for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk and the applicant shall not have any claim against our Company, the Sponsor and Issue Manager and/or the Placement Agent.

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement offer document, including instructions on how you can exercise the option to withdraw your application or return the Placement Shares allotted to you, may be found in such supplementary or replacement offer document.

15. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted to you pursuant to your application, to us, the Sponsor and Issue Manager, the Placement Agent and any other parties so authorised by the foregoing persons.
16. Any reference to "you" or the "applicant" in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Placement Shares through the Placement Agent or its designated sub-placement agent by way of an Application Form or such other forms of application as the Sponsor and Issue Manager, and the Placement Agent deem appropriate.
17. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
 - (a) irrevocably offer, agree and undertake to subscribe for the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price for each Placement Share and agree that you will accept such Placement Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Memorandum and Articles of Association;
 - (b) agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to our Company upon your application;
 - (c) warrant as to the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Sponsor and Issue Manager, and the Placement Agent in determining whether to accept your application and/or whether to allot any Placement Shares to you;
 - (d) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent residency status, CDP Securities Account number, share application amount, the outcome of your application (including the number of Placement Shares allotted to you pursuant to your application) and other personal data ("**Personal Data**") to the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd ("**SCCS**"), the SGX-ST, CDP, our Company, the Sponsor and Issue Manager, and the Placement Agent and/or other authorised operators (collectively, the "**Relevant Persons**"), for the purpose of facilitating your application for the Placement Shares, and in order for the Relevant

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Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct, (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Persons of the Personal Data of such beneficial owner(s) for the Purposes, (iii) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if the Relevant Persons consider them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (iv) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the “**Personal Data Privacy Terms**”). If any Personal Data is transferred to a country or territory outside of Singapore, the Relevant Persons will ensure that the recipient of the Personal Data provides a standard of protection that is comparable to the protection which Personal Data enjoys under the laws of Singapore, and where these countries or territories do not have personal data protection laws which are comparable to that of Singapore, the Relevant Persons will enter into legally enforceable agreements with the recipients to ensure that they protect the Personal Data to the same standard as required under the laws of Singapore; and

- (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Sponsor and Issue Manager, and/or the Placement Agent will infringe any such laws as a result of the acceptance of your application.
18. Our acceptance of applications will be conditional upon, among others, our Company, the Sponsor and Issue Manager, and the Placement Agent, being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for the listing and quotation of all our existing Shares and the New Shares, on Catalist;
 - (b) the Management and Sponsorship Agreement and the Placement Agreement referred to in the section entitled “Plan of Distribution – Sponsorship, Management and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and
 - (c) the Authority, the SGX-ST, acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority, has not issued a Stop Order under the SFA which directs that no further shares to which this Offer Document relates be allotted or issued.

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19. In the event that a Stop Order pursuant to Section 242 of the SFA is served by the Authority, the SGX-ST, acting as agent on behalf of the Authority (to the extent applicable) or other competent authority and applications to subscribe for the Placement Shares have been made prior to the Stop Order, and:
- (a) in the case where the Placement Shares have not been issued, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and our Company shall refund (at your own risk) all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or
 - (b) in the case where the Placement Shares have been issued but trading has not commenced, the issue of the Placement Shares shall (as required by law) be deemed void, and our Company shall, within 14 days from the date of the Stop Order, refund all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk). In such case, you shall cease to have any rights to the Placement Shares immediately and you agree that subject to the approval of the HK Share Buy Back Requirements, we shall buy back the Placement Shares at nil consideration, and we shall cancel the Placement Shares upon repurchase, and

you shall not have any claims against our Company, the Sponsor and Issue Manager, and the Placement Agent.

This shall not apply where only an interim Stop Order has been served.

20. In the event that an interim Stop Order in respect of the Placement Shares is served by the Authority, the SGX-ST, acting as agent on behalf of the Authority (to the extent applicable) or other competent authority, no Placement Shares shall be issued during the time when the interim Stop Order is in force.
21. The Authority, the SGX-ST, acting as agent on behalf of the Authority (to the extent applicable) or other competent authority is not able to serve a Stop Order in respect of the Placement Shares if the Placement Shares have been issued and listed for quotation on a securities exchange and trading in the Placement Shares has commenced.
22. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST website (<http://www.sgx.com>) and through a paid advertisement in a major English language newspaper in Singapore.
23. We will not hold any application in reserve.
24. We will not allot Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.
25. Additional terms and conditions for applications by way of Application Form are set out in the section titled “Additional Terms and Conditions for Applications using Application Form” below.

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26. All payments in respect of any application for the Placement Shares and any refund, shall be made in S\$.
27. No person in any jurisdiction outside Singapore receiving this Offer Document or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for any Placement Shares unless such offer or invitation could lawfully be made without compliance with any regulatory requirements in those jurisdictions.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORM

You shall make an application by way of an Application Form on and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE**” section in Appendix G of this Offer Document as well as the Memorandum and Articles of Association.

1. Your application must be made using the Application Form for Placement Shares accompanying and forming part of this offer document, or in such other manner as the Sponsor and Issue Manager, and the Placement Agent may in their absolute discretion deem appropriate. **ONLY ONE APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the Application Form and this Offer Document for the completion of the Application Form which must be carefully followed. **Our Company, the Sponsor and Issue Manager, and the Placement Agent reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn up remittances or improper form of remittances or remittances which are not honoured upon their first presentation.**

2. Your Application Form must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Form, except those under the heading “**FOR OFFICIAL USE ONLY**”, must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full names as they appear in your identity card (if applicants have such identification documents) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your constitution or equivalent constitutive documents must be lodged with our Company’s Share Registrar. Our Company, the Sponsor and Issue Manager, and the Placement Agent reserve the right to require you to produce documentary proof of identification for verification purposes.

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5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You, whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted, will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations.

If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

7. The completed and signed Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate postage (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED C/O 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619, to arrive by 12.00 noon on 1 December 2025 or such other time as our Company may, in consultation with the Sponsor and Issue Manager, and the Placement Agent, in its absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of the Placement Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**Infinity Development Share Issue Account**" crossed "**A/C PAYEE ONLY**", with your name, CDP Securities Account Number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. We reserve the right to reject any application which is accompanied by combined Banker's Draft or Cashier's Order for different CDP Securities Accounts. No acknowledgement or receipt will be issued by our Company, the Sponsor and Issue Manager, and the Placement Agent for applications and application monies received.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination of the Management and Sponsorship Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post at your own risk within five (5) Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of the Stop Order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the Stop Order.
9. Capitalised terms used in the Application Form and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Sponsor and Issue Manager, and the Placement Agent and/or any party involved in the Placement, and if, in any event our Company, the Sponsor and Issue Manager, and/or the Placement Agent do not receive your Application Form, you shall have no claim whatsoever against our Company, the Sponsor and Issue Manager, and the Placement Agent and/or any party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.
11. By completing and delivering the Application Form, you agree that:
 - (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 1 December 2025** or such other time or date as our Directors may, in consultation with the Sponsor and Issue Manager, and the Placement Agent in their absolute discretion, decide:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) neither our Company, the Sponsor and Issue Manager, and the Placement Agent nor any other party involved in the Placement will be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- (c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (d) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (f) in making your application, reliance is placed solely on the information contained in this Offer Document and none of our Company, the Sponsor and Issue Manager, the Placement Agent nor any other person involved in the Placement shall have any liability for any information not so contained;
 - (g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;
 - (h) you irrevocably agree and undertake to subscribe for the number of the Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted to you in respect of your application. In the event that our Company, the Sponsor and Issue Manager or the Placement Agent decide to allot any smaller number of the Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final; and
 - (i) you irrevocably authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue of the Placement Shares that may be allotted to you.
12. By completing and delivering the Application Form, you declare that you do not possess more than one (1) individual direct Securities Account with CDP.

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APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

The Shares are currently listed on the Main Board of the HKSE. We set out below a summary of the major differences between the HKSE Listing Rules and the Catalist Rules, certain applicable laws and regulations of Singapore and Hong Kong, the takeover rules under the Singapore Code on Take-overs and Mergers (“**Singapore Takeovers Code**”), the Hong Kong Takeovers Code and certain relevant legislations concerning companies with listed securities.

However, this summary is for general guidance only and is not and shall not be relied on as legal advice or any other advice to Shareholders. The summary is not meant to be a comprehensive or exhaustive description of all the relevant Singapore and Hong Kong laws, rules and regulations. In addition, Shareholders should also note that the laws, rules and regulations applicable to our Company and Shareholders may change, whether as a result of proposed legislative reforms to the Singapore or Hong Kong laws, rules or regulations or otherwise.

Prospective investors and/or Shareholders should consult their own legal advisers for specific legal advice concerning their legal rights and obligations under Singapore laws and Hong Kong laws. In the event of any conflict between the Hong Kong laws, rules and regulations, including but not limited to the HKSE Listing Rules, the Hong Kong Takeovers Code and Part XV of the SFO HK, on the one hand, and the Singapore laws, rules and regulations, including but not limited to the Catalist Rules, the Singapore Companies Act, the Singapore Takeovers Code, and the SFA, on the other hand, we shall comply with the more restrictive and stringent rule.

I. Summary of the Major Differences between the HKSE Listing Rules and the Catalist Rules and Certain Applicable Singapore and Hong Kong Laws

The HKSE Listing Rules and Hong Kong Laws

Catalist Rules and Singapore Laws

REPORTING REQUIREMENTS

Issuers in Hong Kong are required to comply with disclosure obligations under the HKSE Listing Rules upon the occurrence of the events which are prescribed therein.

Issuers in Singapore are required to comply with disclosure obligations under the Catalist Rules upon the occurrence of the events which are prescribed in the Catalist Rules.

In the case that the Company makes a disclosure pursuant to the HKSE Listing Rules, it will make the same disclosure in Singapore.

In the case that the Company makes a disclosure pursuant to the Catalist Rules, it will make the same disclosure in Hong Kong.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

1. Chapter 13 of the HKSE Listing Rules (Continuing Obligations)

Rule 13.09, HKSE Listing Rules: General Obligation of Disclosure

- (1) Without prejudice to Rule 13.10 of the HKSE Listing Rules, where in the view of the Hong Kong Stock Exchange there is or there is likely to be a false market in an issuer's securities, the issuer must, as soon as reasonably practicable after consultation with the Hong Kong Stock Exchange, announce the information necessary to avoid a false market in its securities.

Notes:

- (1) This obligation exists whether or not the Hong Kong Stock Exchange makes enquiries under Rule 13.10 of the HKSE Listing Rules.
- (2) If an issuer believes that there is likely to be a false market in its listed securities, it must contact the Hong Kong Stock Exchange as soon as reasonably practicable.
- (2) (a) Where an issuer is required to disclose inside information under the Inside Information Provisions (as defined in the HKSE Listing Rules), it must also simultaneously announce the information.
- (b) An issuer must simultaneously copy to the Hong Kong Stock Exchange any application to the SFC for a waiver from disclosure under the Inside Information Provisions, and promptly upon being notified of the SFC's decision copy the Hong Kong Stock Exchange with the SFC's decision.

Catalist Rules and Singapore Laws

Chapter 7 of the Catalist Rules (Continuing Obligations)

Rule 703, Catalist Rules: Disclosure of Material Information

- (1) An issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which:
- (a) is necessary to avoid the establishment of a false market in the issuer's securities; or
- (b) would be likely to materially affect the price or value of its securities.
- (2) Rule 703(1) does not apply to information which would be a breach of law to disclose.
- (3) Rule 703(1) does not apply to particular information which satisfies the following conditions:
- Condition 1: a reasonable person would not expect the information to be disclosed;
- Condition 2: the information is confidential; and
- Condition 3: one or more of the following applies:
- (a) the information concerns an incomplete proposal or negotiation;
- (b) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- (c) the information is generated for the internal management purposes of the entity;
- (d) the information is a trade secret.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

Rule 13.10B, HKSE Listing Rules: Announce Information Disclosed to Other Stock Exchanges

An issuer must announce any information released to any other stock exchange on which its securities are listed at the same time as the information is released to that other exchange.

Rule 13.51, HKSE Listing Rules: Notification on Changes

An issuer must publish an announcement as soon as practicable in regard to:

- (1) any proposed alteration of the issuer's memorandum or articles of association or equivalent documents;
- (2) any changes in its directorate or supervisory committee, and shall procure that each new director or supervisor or member of its governing body shall submit to the Hong Kong Stock Exchange as soon as practicable after the appointment the contact information and personal particulars required under rule 3.20(1) or 19A.07A of the HKSE Listing Rules (in such form and manner prescribed by the Exchange from time to time). Where a new director, supervisor or chief executive is appointed or the resignation, re-designation, retirement or removal of a director, supervisor or chief executive takes effect, the issuer must announce the change as soon as practicable and include the details required pursuant to Rule 13.51(2) of the HKSE Listing Rules of any newly appointed or re-designated director, supervisor or chief executive in the announcement;

Catalist Rules and Singapore Laws

- (4) In complying with the SGX-ST's disclosure requirements, an issuer must:
 - (a) observe the Corporate Disclosure Policy set out in Appendix 7A to the Catalist Rules, and
 - (b) ensure that its directors and executive officers are familiar with the SGX-ST's disclosure requirements and Corporate Disclosure Policy.
- (5) The SGX-ST will not waive any requirements under this Rule.

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

General

- (1) Any change of address of the registered office of the issuer or of any office at which the Register of Members or any other register of securities of the issuer is kept.
- (2) Any proposed alteration to the memorandum of association or articles of association or constitution of the issuer.
- (3) [Deleted]
- (4) Any qualification or emphasis of a matter by the auditors on the financial statements of:
 - (a) the issuer; or
 - (b) any of the issuer's subsidiaries or associated companies, if the qualification or emphasis of a matter has a material impact on the issuer's consolidated accounts or the group's financial position.
- (5) If an issuer has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

- (3) any change in the rights attaching to any class of listed securities and any change in the rights attaching to any shares into which any listed debt securities are convertible or exchangeable;
- (4) any change in its auditors or financial year end, the reason(s) for the change and any other matters that need to be brought to the attention of holders of securities of the issuer (including, but not limited to, information set out in the outgoing auditors' confirmation in relation to the change in auditors);
- (5) any change in its secretary, share registrar (including any change in overseas branch share registrar) or registered address or where applicable, agent for the service of process in Hong Kong or registered office or registered place of business in Hong Kong;
- (6) any change in its compliance adviser;
- (7) any revision of interim reports, annual reports or summary financial reports, the reason leading to the revision of published financial reports, and the financial impacts, if any; and
- (8) any change in its website address.

Catalist Rules and Singapore Laws

Appointment or Cessation of Service

- (6) (a) Any appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer. The announcement of an appointment or cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority must contain the information contained in Appendix 7F or Appendix 7G to the Catalist Rules, as the case may be.
 - (b) In the case of a cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager or other executive officer of equivalent authority, such persons must inform the SGX-ST in writing as soon as possible if he is aware of any irregularities in the issuer which would have a material impact on the group, including financial reporting.
- (7) Any appointment or reappointment of a director to the audit committee. The issuer must state in the announcement whether the board considers the director to be independent. The issuer must also provide such additional disclosure as may be appropriate in the circumstances to enable its shareholders to assess the independence or otherwise of the appointed director. In the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

Rule 13.25A, HKSE Listing Rules: Changes in Issued Shares

- (1) In addition and without prejudice to specific requirements contained elsewhere in the HKSE Listing Rules, an issuer must, whenever there is a change in its issued shares as a result of or in connection with any of the events referred to in Rule 13.25A(2) of the HKSE Listing Rules, submit for publication on the Hong Kong Stock Exchange's website a return in such form and containing such information as the Hong Kong Stock Exchange may from time to time prescribe by not later than 30 minutes before the earlier of the commencement of the morning trading session or any preopening session on the business day next following the relevant event.
- (2) The events referred to in Rule 13.25A(1) of the HKSE Listing Rules are as follows:
 - (a) any of the following:
 - (i) placing;
 - (ii) consideration issue;
 - (iii) open offer;
 - (iv) rights issue;
 - (v) bonus issue;
 - (vi) scrip dividend;
 - (vii) sale of treasury shares on the Hong Kong Stock Exchange or any other stock exchange on which the issuer is listed;
 - (viii) repurchase of shares or other securities;
 - (ix) issue of new shares or transfer of treasury shares in respect of share awards or options granted to a director of the issuer under a share scheme;

Catalist Rules and Singapore Laws

- (8) Any appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the issuer to a managerial position in the issuer or any of its principal subsidiaries. The announcement must state the job title, duties and responsibilities of the appointee, and the information required in Rule 704(6).
- (9) Any promotion of an appointee referred to in Rule 704(8).
- (10) Within 60 days after each financial year, the issuer must make an announcement of each person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer as set out in Appendix 7C Part II. If there are no such persons, the issuer must make an appropriate negative statement. The SGX-ST may require the issuer to provide additional information on any such person, including his remuneration, any changes to his duties, responsibilities and remuneration package.
- (11) Any appointment of, or change in legal representative(s) (or person(s) of equivalent authority, however described), appointed as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, with sole powers to represent, exercise rights on behalf of, and enter into binding obligations on behalf of, the issuer and/or that principal subsidiaries.
- (12) For issuers with principal subsidiaries based in jurisdictions other than Singapore, any of its independent director's appointment or cessation of service from the board of these principal subsidiaries.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

Catalist Rules and Singapore Laws

- (x) exercise of an option (other than under a share option scheme) by a director of the issuer;
 - (xi) capital reorganisation; or
 - (xii) change in issued shares or treasury shares not falling within any of the categories referred to in Rule 13.25A(2)(a)(i) to (xi) or Rule 13.25A(2)(b) of the HKSE Listing Rules; and
- (b) subject to Rule 13.25A(3) of the HKSE Listing Rules, any of the following:
- (i) issue of new shares or transfer of treasury shares in respect of share awards or options granted to a participant (who is not a director of the issuer) under a share scheme;
 - (ii) exercise of an option other than under a share option scheme not by a director of the issuer;
 - (iii) exercise of a warrant;
 - (iv) conversion of convertible securities;
 - (v) redemption of shares or other securities;
 - (vi) cancellation of repurchased or redeemed shares following settlement of any such repurchase or redemption; or
 - (vii) cancellation of treasury shares.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

- (3) The disclosure obligation for an event in Rule 13.25A(2)(b) of the HKSE Listing Rules only arises where:
- (a) the event, either individually or when aggregated with any other events described in that rule which have occurred since the listed issuer published its last monthly return under Rule 13.25B of the HKSE Listing Rules or last return under Rule 13.25A of the HKSE Listing Rules (whichever is the later), results in a change of 5% or more of the listed issuer's issued shares (excluding treasury shares); or
 - (b) an event in Rule 13.25A(2)(a) of the HKSE Listing Rules has occurred and the event in Rule 13.25A(2)(b) of the HKSE Listing Rules has not yet been disclosed in either a monthly return published under Rule 13.25B of the HKSE Listing Rules or a return published under this Rule 13.25A.
- (4) For the purposes of Rule 13.25A(3) of the HKSE Listing Rules, the percentage change in the listed issuer's issued shares (excluding treasury shares) is to be calculated by reference to the listed issuer's total number of issued shares (excluding treasury shares) as it was immediately before the earliest relevant event which has not been disclosed in a monthly return published under Rule 13.25B of the HKSE Listing Rules or a return published under this Rule 13.25A.

Catalist Rules and Singapore Laws

Appointment of Special Auditors

- (13) Any appointment of a special auditor or an additional auditor. The issuer may be required by the SGX-ST to announce the findings of the special auditors or the additional auditors.

Sponsorship

- (27) If its sponsor will cease, or ceases to sponsor it for any reason, stating the reasons and effective date of such cessation.
- (28) Any confirmation made by the sponsor pursuant to Rule 228(5) upon receipt of such confirmation.
- (29) The appointment of a new sponsor.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

Rule 13.25B, HKSE Listing Rules: Monthly Return

A listed issuer shall, by no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the fifth business day next following the end of each calendar month, submit for publication on the Hong Kong Stock Exchange's website a monthly return in relation to movements in the listed issuer's equity securities (including treasury shares), debt securities and any other securitised instruments, as applicable, during the period to which the monthly return relates, in such form and containing such information as the Hong Kong Stock Exchange may from time to time prescribe (irrespective of whether there has been any change in the information provided in its previous monthly return). Such information includes, among other things, the number as at the close of such period of equity securities (including treasury shares), debt securities and any other securitised instruments, as applicable, issued, sold or transferred and which may be issued, sold or transferred pursuant to options, warrants, convertible securities or any other agreements or arrangements.

Catalist Rules and Singapore Laws

Loan agreements/Issue of Debt Securities

- (33) When the issuer or any of its subsidiaries enters into a loan agreement or issues debt securities that contain a condition making reference to shareholding interests of any controlling shareholder in the issuer, or places restrictions on any change in control of the issuer, and the breach of this condition or restriction will cause a default in respect of the loan agreement or debt securities, significantly affecting the operations of the issuer:
- (a) The details of the condition(s) making reference to shareholding interests of such controlling shareholder in the issuer or restrictions placed on any change in control of the issuer; and
 - (b) The level of these facilities that may be affected by a breach of such condition.
- (34) For any loan agreement or debt securities of the issuer or any of its subsidiaries, any breach of, or occurrence of any event under the terms of, the loan agreement or debt securities if it, in the opinion of the issuer's directors, may:
- (a) have a significant impact on the operations of the issuer; or
 - (b) result in the issuer facing a cash flow problem.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

2. General Meetings

Rule 13.73, HKSE Listing Rules: Notices

In addition to any direction of the court, the issuer shall ensure that notice of every meeting of its shareholders or its creditors concerning the issuer (e.g. for winding up petitions, schemes of arrangement or capital reduction) is published in accordance with Rule 2.07C HKSE of the Listing Rules. The issuer shall despatch a circular to its shareholders at the same time as (or before) the issuer gives notice of the general meeting to approve the transaction referred to in the circular. The issuer shall provide its shareholders with any material information on the subject matter to be considered at a general meeting that comes to the directors' attention after the circular is issued. The issuer must provide the information either in a supplementary circular or by way of an announcement in accordance with Rule 2.07C of the HKSE Listing Rules not less than 10 business days before the date of the relevant general meeting to consider the subject matter. The meeting must be adjourned before considering the relevant resolution to ensure compliance with this 10 business day requirement by the chairman or, if that is not permitted by the issuer's constitutional documents, by resolution to that effect.

Catalist Rules and Singapore Laws

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

General Meetings

- (14) The date, time and place of any general meeting. All notices convening meetings must be sent to shareholders at least 14 calendar days before the meeting (excluding the date of notice and the date of meeting). For meetings to pass special resolution(s), the notice must be sent to shareholders at least 21 calendar days before the meeting (excluding the date of notice and the date of meeting).
- (15) Immediately after each general meeting and before the commencement of the pre-opening session on the market day following the general meeting, whether the resolutions put to a general meeting of an issuer were passed.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

Rules 13.39(4) and (5), HKSE Listing Rules: Meetings of Shareholders

Any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

The issuer must announce the meeting's poll results as soon as possible, but in any event at least 30 minutes before the earlier of either the commencement of the morning trading session or any pre-opening session on the business day after the meeting.

Catalist Rules and Singapore Laws

Rule 730A, Catalist Rules: Facilitating Interaction with Shareholders

- (1) An issuer shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.
- (2) All resolutions at general meetings shall be voted by poll.
- (3) At least one scrutineer shall be appointed for each general meeting. The appointed scrutineer(s) shall be independent of the persons undertaking the polling process. Where the appointed scrutineer is interested in the resolution(s) to be passed at the general meeting, it shall refrain from acting as the scrutineer for such resolution(s).
- (4) The appointed scrutineer shall exercise the following duties:
 - (a) ensuring that satisfactory procedures of the voting process are in place before the general meeting; and
 - (b) directing and supervising the count of the votes cast through proxy and in person.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

3. Rule 13.23(1), HKSE Listing Rules: Notifiable Transactions, Connected Transactions, Takeovers and Share Repurchases

An issuer must announce details of acquisitions and realisations of assets and other transactions required by Chapters 14 and 14A of the HKSE Listing Rules and, where applicable, must circularise holders of its securities with their details and obtain their approval thereto.

Rules 14.06 and 14.07, HKSE Listing Rules:

Classification and Explanation of Terms

Under Chapter 14 of the HKSE Listing Rules, the transaction classification is made by using the percentage ratios set out in Rule 14.07. The classifications are:

- (1) share transaction: an acquisition of assets (excluding cash) by a listed issuer where the consideration includes securities for which listing will be sought and where all percentage ratios are less than 5%;
- (2) discloseable transaction: a transaction or a series of transactions (aggregated under Rules 14.22 and 14.23 of the HKSE Listing Rules) by a listed issuer where any percentage ratio is 5% or more, but less than 25%;
- (3) major transaction: a transaction or a series of transactions (aggregated under Rules 14.22 and 14.23) by a listed issuer where any percentage ratio is 25% or more, but less than 100% for an acquisition or 75% for a disposal;

Catalist Rules and Singapore Laws

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Acquisitions and Realisations

(16) Any acquisition of:

- (a) shares resulting in the issuer holding 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings, of a quoted company;
- (b) except for an issuer which is a bank, finance company, securities dealing company or approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must state:
 - (i) the aggregate cost of the issuer's quoted investments before and after the acquisition, and such amounts as a percentage of the latest audited consolidated net tangible assets of the issuer;
 - (ii) the total market value of its quoted investments before and after the acquisition; and
 - (iii) the amount of any provision for diminution in value of investments;

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

- (4) very substantial disposal: a disposal or a series of disposals (aggregated under Rules 14.22 and 14.23 of the HKSE Listing Rules) of assets (including deemed disposals referred to in Rule 14.29 of the HKSE Listing Rules) by a listed issuer where any percentage ratio is 75% or more;
- (5) very substantial acquisition: an acquisition or a series of acquisitions (aggregated under Rules 14.22 and 14.23 of the HKSE Listing Rules) of assets by a listed issuer where any percentage ratio is 100% or more;
- (6) reverse takeover: an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of the Hong Kong Stock Exchange, constitutes, or is part of a transaction or arrangement or series of transactions or arrangements which constitute, an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirements for new applicants set out in Chapter 8 of the HKSE Listing Rules.

The relevant category that a transaction falls under depends on the following percentage ratios computed on the following bases:

- (1) assets ratio: the total assets which are the subject of the transaction divided by the total assets of the listed issuer;
- (2) profits ratio: the profits attributable to the assets which are the subject of the transaction divided by the profits of the listed issuer;
- (3) revenue ratio: the revenue attributable to the assets which are the subject of the transaction divided by the revenue of the listed issuer;

Catalist Rules and Singapore Laws

- (17) Any sale of:
 - (a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares and subsidiary holdings, of a quoted company;
 - (b) except for an issuer which is a bank, a finance company, a securities dealing company or an approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment in quoted securities falling below each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must contain the same information as required under Rule 704(16)(b)(i) to (iii), relating to a sale instead of an acquisition;
- (18) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10 of the Catalist Rules.

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The HKSE Listing Rules and Hong Kong Laws

- (4) consideration ratio: the consideration divided by the total market capitalisation of the listed issuer. The total market capitalisation is the average closing price of the listed issuer's securities as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the transaction; and
- (5) equity capital ratio: the number of shares to be issued by the listed issuer as consideration divided by the total number of the listed issuer's issued shares (excluding treasury shares) immediately before the transaction.

Rule 14.34, HKSE Listing Rules: Notification and Announcement

As soon as possible after the terms of a share transaction, discloseable transaction, major transaction, very substantial disposal, very substantial acquisition, extreme transaction or reverse takeover have been finalised, the listed issuer must in each case inform the Hong Kong Stock Exchange and publish an announcement as soon as possible.

Catalist Rules and Singapore Laws

Chapter 10 of the Catalist Rules (Significant Transactions)

Part IV Classification of Transactions

Rule 1004, Catalist Rules

Under Chapter 10, transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

Rule 1005, Catalist Rules

In determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004, the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. The SGX-ST retains the discretion to determine whether the aggregation was correctly applied, and/or to direct the sponsor to aggregate other transactions.

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Rules 14.38A to 14.57A, HKSE Listing Rules: Additional Requirements for Major Transaction, Very Substantial Disposal, Very Substantial Acquisition, Extreme Transactions and Reverse Takeover

For a major transaction, very substantial disposal and very substantial acquisition, the shareholders' approval is required, while the approvals from both the shareholders and the Hong Kong Stock Exchange are required for reverse takeover.

Catalist Rules and Singapore Laws

Rule 1006, Catalist Rules

The relevant category that a transaction falls under depends on the size of the relative figures computed on the following bases:

- (a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.
- (b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.
- (c) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.
- (d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.
- (e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.

Rules 1008, 1010, 1014 and 1015, Catalist Rules

Transactions are categorised as follows in the Catalist Rules:

- **Rule 1008(1):** Unless Rule 703, 905 or 1009 applies, non-discloseable transaction: where all of the relative figures computed on the bases set out in Rule 1006 amount to 5.0% or less;

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Catalist Rules and Singapore Laws

- **Rule 1010:** discloseable transaction: where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5.0%;
- **Rule 1014(1):** major transaction: where any of the relative figures computed on the bases set out in Rule 1006 exceeds (a) for an acquisition, 75.0% but is less than 100.0%; or (b) for a disposal, 50.0%; and
- **Rule 1015(1):** very substantial acquisition or reverse takeover: where an acquisition of assets (whether or not the acquisition is deemed in the issuer's ordinary course of business) is one where any of the relative figures as computed on the bases set out in Rule 1006 is 100.0% or more, or is one which will result in a change in control of the issuer, the transaction is classified as a very substantial acquisition or reverse takeover respectively.

Where a transaction is classified as a discloseable transaction, major transaction or very substantial acquisition/reverse takeover, the issuer must make an immediate announcement.

Under Rule 1015(1), for very substantial acquisitions/reverse takeovers, the issuer must also immediately announce the latest two years of historical financial information (of the assets to be acquired) and one year of proforma financial information (of the enlarged group).

Further, transactions that are major transactions are conditional upon the prior approval of shareholders. Very substantial acquisitions/reverse takeovers transactions are conditional upon the approval of shareholders and, if applicable, the issue of a listing and quotation notice by the SGX-ST.

A circular to shareholders will need to be distributed to seek shareholders' approval.

The disclosures required to be made in such circular for these types of transactions are prescribed in the Catalist Rules.

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The HKSE Listing Rules and Hong Kong Laws

4. Rule 13.25, HKSE Listing Rules: Winding-up and Liquidation

- (1) An issuer shall inform the Hong Kong Stock Exchange of the happening of any of the following events as soon as it comes to its attention:
- (a) the appointment of a receiver or manager either by any court having jurisdiction or under the terms of a debenture or any application to any court having jurisdiction for the appointment of a receiver or manager, or equivalent action in the country of incorporation or other establishment, in respect of the business or any part of the business of the issuer or the property of the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the HKSE Listing Rules;
 - (b) the presentation of any winding-up petition, or equivalent application in the country of incorporation or other establishment, or the making of any winding-up order or the appointment of a provisional liquidator, or equivalent action in the country of incorporation or other establishment, against or in respect of the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the HKSE Listing Rules;

Catalist Rules and Singapore Laws

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Winding Up, Judicial Management, etc

- (19) Any application filed with a court to wind up the issuer or any of its subsidiaries, or to place the issuer or any of its subsidiaries under judicial management.
- (20) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.
- (22) Where Rule 704(19), (20) or (34) applies, a monthly update must be announced regarding the issuer's financial situation, including:
 - (a) the state of any negotiations between the issuer and its principal bankers or trustee; and
 - (b) the issuer's future direction, or other material development that may have a significant impact on the issuer's financial position.

If any material development occurs between the monthly updates, it must be announced immediately. No monthly updates are required for a voluntary liquidation of a dormant subsidiary by the issuer that is announced pursuant to Rule 704(20).

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Catalist Rules and Singapore Laws

- (c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the HKSE Listing Rules that it be wound up by way of members' or creditors' voluntary winding-up, or equivalent action in the country of incorporation or other establishment;
 - (d) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios defined under Rule 14.04(9) of the HKSE Listing Rules; or
 - (e) the making of any final judgment, declaration or order by any court or tribunal of competent jurisdiction whether on appeal or at first instance which is not subject to any or further appeal, which may adversely affect the issuer's enjoyment of any portion of its assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios defined under Rule 14.04(9) of the HKSE Listing Rules.
- (2) Rules 13.25(1)(a), (b) and (c) will apply to a subsidiary of the issuer if the value of that subsidiary's total assets, profits or revenue represents 5% or more under any of the percentage ratios defined under Rule 14.04(9) of the HKSE Listing Rules.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

5. Rules 13.45, HKSE Listing Rules: After Board Meetings

An issuer shall inform and announce immediately after approval by or on behalf of the board of:

- (1) any decision to declare, recommend or pay any dividend or to make any other distribution on its listed securities, including the rate and amount of the dividend or distribution and the expected payment date;
- (2) any decision not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in due course;
- (3) any preliminary announcement of profits or losses for any year, half-year or other period;
- (4) any proposed change in the capital structure, including any redemption of its listed securities; and
- (5) any decision to change the general character or nature of the business of the issue or group.

Catalist Rules and Singapore Laws

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately the following:

Announcement of Results, Dividends, etc

- (23) Any recommendation or declaration of a dividend (including a bonus or special dividend, if any), the rate and amount per share and date of payment. If dividends are not taxable in the hands of shareholders, this must be stated in the announcement and in the dividend advice to shareholders. If there is a material variation in the interim or final dividend rate compared to that for the previous corresponding period, the directors must state the reasons for the variation at the time the dividend is recommended or declared. If the directors decide not to declare or recommend a dividend, this must be announced together with the reason(s) for such decision.
- (24) After the end of each of the first three quarters of its financial year, half year or financial year, as the case may be, an issuer must not announce any:
 - (a) dividend;
 - (b) bonus issue or rights issue;
 - (c) record date;
 - (d) capital return; or
 - (e) passing of a dividend,

unless it is accompanied by the results of the quarter, half year or financial year (as set out in Appendix 7C), as the case may be, or the financial statements (as set out in Appendix 7C) have been announced.

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The HKSE Listing Rules and Hong Kong Laws

6. Rule 13.66, Listing Rule: Closure of Books and Record Date

- (1) An issuer must announce any closure of its transfer books or register of members in respect of securities listed in Hong Kong at least six business days before the closure for a rights issue, or 10 business days before the closure in other cases. In cases where there is an alteration of book closing dates, the issuer must, at least five business days before the announced closure or the new closure, whichever is earlier, notify the Hong Kong Stock Exchange in writing and make a further announcement.
- (2) An issuer must ensure that the last day for trading in the securities with entitlements falls at least one business day after the general meeting, if the entitlements require the approval of shareholders in the general meeting or are contingent on a transaction that is subject to the approval of shareholders in the general meeting.

7. Treasury Shares

Please refer to Rule 13.25A and 13.25B of the HKSE Listing Rules.

Catalist Rules and Singapore Laws

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Books Closure

- (25) Any intention to fix a record date, stating the date, reason and address of the share registry at which the relevant documents will be accepted for registration. At least 5 market days of notice (excluding the date of announcement and the record date) must be given for any record date. Issuers could consider a longer notice period, where necessary. The SGX-ST may agree to a shorter books closure period. In fixing a record date, an issuer must ensure that the last day of trading on a cum basis falls at least 1 day after the general meeting, if a general meeting is required to be held.
- (26) The issuer must not fix a record date for any purpose until at least 8 market days after the previous record date. This rule does not prohibit identical record dates for different purposes.

Treasury Shares and Subsidiary Holdings

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

- (31) Any sale, transfer, cancellation and/or use of treasury shares stating the following:
 - (a) date of the sale, transfer, cancellation and/or use;
 - (b) purpose of such sale, transfer, cancellation and/or use;
 - (c) number of treasury shares sold, transferred, cancelled and/or used;

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- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

(31A) Any sale, transfer, cancellation and/or use of subsidiary holdings stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of subsidiary holdings sold, transferred, cancelled and/or used;
- (d) number of subsidiary holdings before and after such sale, transfer, cancellation and/or use; and
- (e) percentage of the number of subsidiary holdings against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use.

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The HKSE Listing Rules and Hong Kong Laws

8. Chapter 17 of the HKSE Listing Rules (Share Schemes)

Rule 17.02, HKSE Listing Rules: Adoption of a new scheme

The adoption of share option scheme for specified participants of a listed issuer or any of its subsidiaries is subject to the approval of the shareholders of the issuer in general meeting.

Catalist Rules and Singapore Laws

Chapter 8 of the Catalist Rules (Changes in Capital)

Part VIII Share Option Schemes or Share Schemes

Rule 842(3), Catalist Rules

The approval of an issuer's shareholders must be obtained for any share option scheme or share scheme implemented by:

- (a) the issuer; and
- (b) a principal subsidiary of the issuer if the scheme may cause Rule 805(2) to apply.

Rule 842(4), Catalist Rules

If shareholder approval is not required pursuant to Rule 842(3), an issuer must announce the principal terms of any such share option scheme or share scheme implemented by its subsidiaries.

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The HKSE Listing Rules and Hong Kong Laws

Notes to Rule 17.03B(1) and (2): Scheme mandate limit and service provider sublimit

The scheme mandate limit must not exceed 10% of the relevant class of shares of the listed issuer in issue (excluding treasury shares) as at the date of approval of the scheme (alternatively, in respect of a scheme of a new applicant that will become effective only upon its separate listing, the 10% limit may be calculated by reference to the relevant class of shares of the applicant in issue (excluding treasury shares) as at the date of its listing).

Where the participants of the scheme include service providers, the service provider sublimit must be set within the scheme mandate limit and separately approved by shareholders of the issuer in general meeting. The circular must contain the basis for determining the service provider sublimit and an explanation as to why the service provider sublimit is appropriate and reasonable.

The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the scheme mandate limit (and the service provider sublimit, if any) under the scheme after three years from the date of shareholders’ approval for the last refreshment (or the adoption of the scheme).

The total number of shares which may be issued in respect of all options and awards to be granted under all of the schemes of the listed issuer under the scheme mandate as “refreshed” must not exceed 10% of the relevant class of shares in issue (excluding treasury shares) as at the date of approval of the refreshed scheme mandate. The listed issuer must send a circular to its shareholders containing the number of options and awards that were already granted under the existing scheme mandate limit and the existing service provider sublimit (if any), and the reason for the “refreshment”

Catalist Rules and Singapore Laws

Terms of Schemes

Rule 843, Catalist Rules

Participation in a scheme must be restricted to directors and employees of the issuer and its subsidiaries, except that:

- (1) directors and employees of an associated company of the issuer may participate in the scheme if the issuer has control over the associated company.
- (2) directors and employees of the issuer’s parent company and its subsidiaries who have contributed to the success and development of the issuer may participate in the scheme.

Rule 844, Catalist Rules

A limit on the size of each scheme, the maximum entitlement for each class or category of participant (where applicable), and the maximum entitlement for any one participant (where applicable) must be stated.

Rule 846, Catalist Rules

The exercise price of options to be granted must be set out. Options granted at a discount may be exercisable after 2 years from the date of grant. Other options may be exercisable after one year from the date of grant.

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The HKSE Listing Rules and Hong Kong Laws

Rule 17.04(1), HKSE Listing Rules: Granting Options to a Director, Chief Executive or Substantial Shareholder of a Listed Issuer, or any of their Respective Associates

In addition to the shareholders' approval set out in note (1) to Rule 17.03(3) of the HKSE Listing Rules and the note to Rule 17.03(4) of the HKSE Listing Rules, each grant of options to a director, chief executive or substantial shareholder of a listed issuer, or any of their respective associates, under a scheme of the listed issuer or any of its subsidiaries must comply with the requirements of this Rule 17.04(1). Each grant of options to any of these persons must be approved by independent non-executive directors of the listed issuer (excluding independent non-executive director who is the grantee of the options).

Where any grant of awards (excluding grant of options) to a director (other than an independent non-executive director) or chief executive of the issuer, or any of their associates would result in the shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of shares in issue (excluding treasury shares), such further grant of awards must be approved by shareholders of the listed issuer in general meeting in the manner set out in rule 17.04(4).

Where any grant of options or awards to an independent non-executive director or a substantial shareholder of the listed issuer, or any of their respective associates, would result in the shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue (excluding treasury shares), such further grant of options or awards must be approved by shareholders of the listed issuer in general meeting in the manner set out in rule 17.04(4).

Catalist Rules and Singapore Laws

Shareholder Approval

Rule 852, Catalist Rules

Participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer. A separate resolution must be passed for each person and to approve the actual number and terms of options to be granted to that participant.

Rule 853, Catalist Rules

Any grant of options to a director or employee of the issuer's parent company and its subsidiaries that, together with options already granted to the person under the scheme, represents 5% or more of the total number of options available to such directors and employees, must be approved by independent shareholders. A separate resolution must be passed for each such person and to approve the aggregate number of options to be made available for grant to all directors and employees of the parent company and its subsidiaries.

Rule 854, Catalist Rules

When seeking shareholder approval, an issuer must explain the basis for the following in the circular:

- (1) Participation by, and the specific grant of options to, each of the controlling shareholders or their associates;
- (2) Participation by, and the grant of options to, directors and employees of the parent company and its subsidiaries;
- (3) Participation by non-executive directors;
- (4) Participation by directors and employees of the associated companies;
- (5) Discount quantum; and
- (6) Size of the scheme.

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The HKSE Listing Rules and Hong Kong Laws

Rule 17.06A, HKSE Listing Rules: Announcement on Grant of Options

As soon as possible upon the granting by the listed issuer of an option or award under its scheme, the listed issuer must publish an announcement setting out the following details:

- (1) date of grant;
- (2) (a) where disclosure on an individual basis is required, the name of the grantee (and where the grantee is not a natural person, the name of its ultimate beneficial owner) and the relationship between the grantee and the issuer. Where the grantee is a related entity participant or service provider, the nature of services provided to the issuer; or (b) where disclosure on an individual basis is not required, a description of each of the categories of grantees;
- (3) number of options granted;
- (4) the exercise price of options or purchase price of awards granted;
- (5) market price of its securities on the date of grant;
- (6) the exercise period of the options;
- (7) the vesting period of the options or awards;
- (8) a description (which may be qualitative) of the performance targets attached to the options or awards granted, if any and the clawback mechanism for the issuer to recover or withhold any awards or options granted, if any. Where options or awards are granted to the issuer's directors and/or senior managers without performance targets and/or clawback mechanism, the views of the remuneration committee on why performance targets and/or a clawback mechanism is/are not necessary and how the grants align with the purpose of the scheme.

Catalist Rules and Singapore Laws

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Employee Share Option or Share Scheme

- (32) Any grant of options or shares. The announcement must be made on the date of the offer and provide details of the grant, including the following:
- (a) date of grant;
 - (b) exercise price of options granted;
 - (c) number of options or shares granted;
 - (d) market price of its securities on the date of grant;
 - (e) number of options or shares granted to each director and controlling shareholders (and each of their associates), if any; and
 - (f) validity period of the options.

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The HKSE Listing Rules and Hong Kong Laws

- (9) Where options or awards are granted to a service provider or a related entity participant, the reasons of the grant and the views of the board how the grant aligns with the purpose of the scheme; and
- (10) Arrangements, if any, for the issuer or any of its subsidiaries to provide financial assistance to the grantee(s) to facilitate the purchase of shares under the scheme.

9. Material change in use of proceeds

Pursuant to section 307B(1) of the SFO HK and the Guidance Letter HKEx-GL33-12 issued by the Hong Kong Stock Exchange, a listed corporation must, as soon as reasonably practicable after any inside information has come to its knowledge, disclose the information to the public. Any material change of use of proceeds is generally price sensitive and hence, inside information for the purpose of the SFO HK. If such information was not previously disclosed in the listing document, the listed issuer must make an announcement to notify investors of the change after listing.

Catalist Rules and Singapore Laws

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Use of Proceeds

- (30) The use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the offer document or the announcement of the issuer. Where the proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

10. Rules 13.46 to 13.50, HKSE Listing Rules: Disclosure of Financial Information

Distribution of annual report and accounts

An issuer is required to send (i) every member of the issuer; and (ii) every other holder of its listed securities (not being bearer securities), a copy of either (a) its annual report including its annual accounts and, where the issuer prepares group accounts, its group accounts, together with a copy of the auditors' report thereon or (b) its summary financial report, not less than 21 days before the date of the issuer's annual general meeting and in any event not more than four months after the end of the financial year to which they relate.

The issuer may send a copy of its summary financial report to a member and a holder of its listed securities in place of a copy of its annual report and accounts, provided that it complies with the relevant provisions set out in the relevant sections of the Companies Ordinance and in the Companies (Summary Financial Reports) Regulation.

Catalist Rules and Singapore Laws

Rule 705, Catalist Rules: Financial Statements

- (1) An issuer must announce the financial statements for the full financial year (as set out in Appendix 7C) immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.
- (2) An issuer must announce its financial statements for each of the first three quarters of its financial year (as set out in Appendix 7C) immediately after the figures are available, but in any event not later than 45 days after the quarter end if:
 - (a) its auditors have issued an adverse opinion, a qualified opinion or a disclaimer of opinion on the issuer's latest financial statements; or
 - (b) its auditors have stated that a material uncertainty relating to going concern exists in the issuer's latest financial statements.
- (3)
 - (b) An issuer that is not required to comply with Rule 705(2) must either:
 - (i) announce the financial statements for each of the first three quarters of its financial year (as set out in Appendix 7C); or
 - (ii) announce its first half financial statements (as set out in Appendix 7C),

in each case immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.

If an issuer that is not required to comply with Rule 705(2) announces its quarterly financial statements in a format other than as set out in Appendix 7C, it must comply with Rule 705(3)(b)(ii).

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

Catalist Rules and Singapore Laws

- (4) Notwithstanding the foregoing, with respect to the first announcement to be made by the issuer pursuant to Rules 705 (1) or (2) following its listing on the SGX-ST, where the time period between the date of its listing and the final date for the issuer to make the relevant announcement pursuant to Rule 705(1) or (2) above is less than 30 days, the issuer shall have 30 days from the relevant deadline to make the relevant announcements of the financial statements provided that the following conditions are satisfied:
- (a) the extension is announced by the issuer at the time of the issuer's listing; and
 - (b) in the announcement referred to in paragraph (a), the issuer must confirm that there is no material adverse change to the financial position of the issuer since the date of its offer document issued in connection with its listing on the SGX-ST.
- (5) In the case of an announcement of interim financial statements (quarterly or half-yearly, as applicable, but excluding full year financial statements), an issuer's directors must provide a confirmation that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect. In order to make this confirmation, directors would not be expected to commission an audit of these financial statements. The confirmation may be signed by 2 directors on behalf of the board of directors.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

Interim reports

In respect of the first six months of each financial year of an issuer unless that financial year is of six months or less, the issuer shall send to (i) every member of the issuer; and (ii) every other holder of its listed securities (not being bearer securities), either (a) an interim report, or (b) a summary interim report not later than three months after the end of that period of six months. The issuer may send a copy of its summary interim report to a member and a holder of its listed securities in place of a copy of its interim report, provided that such summary interim report complies with the relevant provisions of the Companies (Summary Financial Reports) Regulation governing summary financial reports.

Preliminary announcements of results – Full financial year

An issuer shall publish its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than three months after the end of the financial year.

Preliminary announcements of results – First half of the financial year

The issuer shall publish a preliminary announcement in respect of its results for the first six months of each financial year, unless that financial year is of six months or less, as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than two months after the end of that period of six months.

Catalist Rules and Singapore Laws

Rules 707(1) and (2), Catalist Rules: Annual Report

- (1) An issuer must hold its annual general meeting within four months from the end of its financial year.
- (2) An issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.

Sustainability Report

Rule 711A, Catalist Rules

An issuer must issue a sustainability report for its financial year, no later than 4 months after the end of the financial year, or where the issuer has conducted external assurance on the sustainability report, no later than 5 months after the end of the financial year.

Rule 711B, Catalist Rules

- (1) The sustainability report must describe the sustainability practices with reference to the following primary components:
 - (a) material environmental, social and governance factors;
 - (aa) climate-related disclosures;
 - (b) policies, practices and performance;
 - (c) targets;
 - (d) sustainability reporting framework; and
 - (e) Board statement and associated governance structure for sustainability practices.

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Rule 4.03, HKSE Listing Rules: Reporting Accountants

Reporting accountants must be independent both of the issuer and of any other company concerned to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the requirements on independence issued by the Hong Kong Institute of Certified Public Accountants or the International Federation of Accountants. Accountants' reports must normally be prepared by practising accountants who are registered and not prohibited under the Accounting and Financial Reporting Council Ordinance from holding any appointment as auditors of a company.

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- (2) If the issuer excludes any primary component, it must disclose such exclusion and describe what it does instead, with reasons for doing so. An issuer must not exclude the primary component in Rule 711B(1)(aa).
- (3) The issuer's sustainability reporting process must be subject to internal review. The issuer may additionally commission an independent external assurance on the sustainability report.
- (4) The primary component in Rule 711B(1)(aa) must comply with the requirements on climate-related disclosures set out in Practice Note 7F.

Appointment of Auditors

Rule 712, Catalist Rules

- (1) An issuer must appoint a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. A mineral, oil and gas company must appoint an auditing firm where the auditing firm and audit partner-in-charge have the relevant industry experience.
- (2) The auditing firm appointed by the issuer must be:
 - (a) Approved under the Accountants Act. The audit partner-in-charge assigned to the audit must be a public accountant under the Accountants Act;

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- (b) Approved by, registered with and/or regulated by an independent audit oversight body acceptable to the SGX-ST. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies. Where applicable, the audit partner-in-charge assigned to the audit should be approved by, registered with or regulated by a relevant audit oversight body acceptable to the SGX-ST; or
 - (c) Any other auditing firm acceptable by the SGX-ST.
- (3) A change in auditing firm must be specifically approved by shareholders in a general meeting.

Rule 713, Catalist Rules

- (1) An issuer must disclose in its annual report the date of appointment and the name of the audit partner in charge of auditing the issuer and its group of companies. The audit partner must not be in charge of more than 5 consecutive audits for a full financial year, the first audit being for the financial year beginning on or after 1 January 1997, regardless of the date of listing. The audit partner may return after two years.
- (2) If the listing of an issuer occurs after 5 consecutive audits by the same audit partner in charge, the same audit partner may complete the audit of the financial year in which the issuer lists.

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11. Public Float Requirement Chapter 8 of the HKSE Listing Rules (Qualifications for Listing)

Rule 8.08(1), HKSE Listing Rules: Qualifications for listing

Save and except for the circumstances specified under Chapter 8 of the HKSE Listing Rules, an issuer must maintain at least 25% of its total number of issued shares at all times be held by the public.

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Free Float

Rule 723, Catalist Rules

An issuer must ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public.

Rule 724, Catalist Rules

- (1) If the percentage of securities held in public hands falls below 10%:
 - (a) The issuer must, as soon as practicable:
 - (i) notify its sponsor of that fact; and
 - (ii) announce that fact.
 - (b) The SGX-ST may suspend trading of the class, or all the securities of the issuer.
- (2) The SGX-ST may allow the issuer a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of securities in public hands to at least 10%. The issuer may be removed from the Official List if it fails to restore the percentage of securities in public hands to at least 10% after the period..

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12. Shareholders' Reporting Obligations

Part XV of the SFO: Disclosure of Interests by Substantial Shareholders

The HKSE Listing Rules require that the interests held by directors and chief executives and substantial shareholders (i.e. shareholders interested in 10% or more of the voting power) be disclosed in annual reports, interim reports and circulars of the listed company. The SFO HK and the Outline of Part XV of the SFO HK – Disclosure of Interests (“Outline”) issued by the SFC provides that a substantial shareholder (i.e. shareholder interested in 5% or more of any class of voting shares in a listed company) is required to disclose his interest, and short positions, in the shares of the listed company, within 10 business days after first becoming a substantial shareholder, or to disclose his changes in percentage figures of his shareholdings in the listed company or ceasing to be a substantial shareholder within 3 business days after becoming aware of the relevant events. Please refer to Section 2.7 of the Outline for examples of relevant events.

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Obligation to notify the Company and SGX-ST of substantial shareholding and change in substantial shareholding

Substantial shareholder

Under the Singapore Companies Act, a substantial shareholder (i.e. shareholder having not less than 5.0% of the total votes attached to all the voting shares in the company) of a company shall within two (2) business days after becoming a substantial shareholder, or when there is a change in the percentage level (as defined in the Singapore Companies Act) of the substantial shareholder's interest, or when he ceases to be a substantial shareholder, give notice in writing to the company.

Under the Singapore Securities and Futures Act, a substantial shareholder shall within two (2) business days after becoming a substantial shareholder, or when there is a change in the percentage level of the substantial shareholder's interest, or when he ceases to be a substantial shareholder, give notice in writing to the SGX-ST.

Section 81, Singapore Companies Act

A person has a substantial shareholding in a company if he has an “interest” in one (1) or more voting shares in the company, and the total votes attached to those shares is not less than 5.0% of the total votes attached to all the voting shares in the company.

Section 82, Singapore Companies Act

A substantial shareholder of a company is required to notify the company of his “interests” in the voting shares in the company within two (2) business days after becoming a substantial shareholder.

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13. Part XV of the SFO HK: Disclosure of Interests by Directors and Chief Executives

A director or a chief executive of a listed company is required to disclose his interest and short position in any shares in a listed company (or any of its associated companies) and his interest in any debentures of the listed company (or any of its associated companies) within 10 business days after becoming a director or chief executive of the listed company or within 3 business days after becoming aware of the relevant events. If a person is both a substantial shareholder and a director of the listed company concerned under the SFO HK, such person may have separate duties to file notices (one in each capacity) as a result of a single event. For example, a person who is interested in 5.9% of the shares of a listed company and buys a further 0.2% will have to file a notice because he is a director (and therefore has to disclose all transactions) and will also have to file a notice as a substantial shareholder because his interest has crossed the 6.0% level.

Catalist Rules and Singapore Laws

Sections 83 and 84, Singapore Companies Act

A substantial shareholder is required to notify the company of changes in the “percentage level” of his shareholding or his ceasing to be a substantial shareholder, again within two (2) business days after he becomes aware of such changes.

The reference to changes in “percentage level” means any changes in a substantial shareholder’s interest in the company which results in his interest, following such change, increasing or decreasing to the next discrete 1.0% threshold. For example, an increase in interests in the company from 5.1% to 5.9% need not be notified, but an increase from 5.9% to 6.1% will have to be notified.

A substantial shareholder is also required to give the above notifications to the SGX-ST at the same time.

Register of director’s and chief executive officer’s shareholdings

Under Sections 164(1) and 164(1A) of the Singapore Companies Act, a company shall keep a register showing with respect to each director and chief executive officer of the company particulars of:

- (a) shares;
- (b) debentures of or participatory interests;
- (c) rights or options in respect of the acquisition or disposal of shares; and
- (d) contracts to which such person is a party or under which he is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares,

of the company or a related corporation.

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A director or chief executive officer of a company shall be deemed to hold or have an interest or a right in or over any shares or debentures if the spouse or a child of less than 18 years of age of the director or chief executive officer (as the case may be) holds or has an interest or a right in or over any shares or debentures. Any contract, assignment or right of subscription shall be deemed to have been entered into or exercised or made by, or a grant shall be deemed as having been made to, the director or chief executive officer (as the case may be) if the contract, assignment or right of subscription is entered into, exercised or made by, or a grant is made to, the spouse or a child of less than 18 years of age of a director or chief executive officer of a company.

Under Section 165(1) of the Singapore Companies Act, every director and chief executive officer of a company shall give notice in writing to the company of such particulars relating to shares, debentures, participatory interests, rights, options and contracts as are necessary for the purposes of compliance by the first-mentioned company with Section 164, among other disclosure requirements.

Duty of director or chief executive officer to notify corporation of his interests

Sections 133 and 134 of the Singapore Securities and Futures Act

Section 133 of the Singapore Securities and Futures Act stipulates that every director and chief executive officer of a corporation shall give notice in writing to the corporation of particulars of, inter alia, shares in the corporation; or a related corporation of the corporation, which he holds, or in which he has an interest and the nature and extent of that interest, within two (2) business days after:

- (a) the date on which the director or chief executive officer becomes such a director or chief executive officer; or
- (b) the date on which the director or chief executive officer becomes a holder of, or acquires an interest in, the shares,

whichever last occurs.

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Under Section 134, any director or chief executive officer of a corporation who intentionally or recklessly contravenes Section 133 in relation to the disclosure of shares held in the corporation, or furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

Power of corporation to require disclosure of beneficial interest in its voting shares

Any corporation may, under Section 137F of the Singapore Securities and Futures Act, require any member of the corporation within such reasonable time as is specified in the notice (which shall comply with the requirements stipulated by the Monetary Authority of Singapore):

- (a) to inform it whether he holds any voting shares in the corporation as beneficial owner or as trustee; and
- (b) if he holds them as trustee, to indicate so far as he can the persons for whom he holds them (either by name or by other particulars sufficient to enable those persons to be identified) and the nature of their interest.

Whenever a corporation receives information from a person pursuant to a requirement imposed on him under Section 137F with respect to shares held by a member of the corporation, it shall be under an obligation to inscribe against the name of that member in a separate part of the register kept by it under Section 137C:

- (i) the fact that the requirement was imposed and the date on which it was imposed; and
- (ii) the information received pursuant to the requirement.

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Any person who intentionally or recklessly contravenes the requirement to comply with the notice, or in purported compliance with the requirement, furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

Duty of corporation to make disclosure

Section 137G of the Singapore Securities and Futures Act

Where a corporation has been notified in writing by a director or chief executive officer of the corporation or a substantial shareholder in respect of a change in the particulars of his shareholdings, the corporation shall announce or otherwise disseminate the information stated in the notice to the securities market operated by the securities exchange on whose official list any or all of the shares of the corporation are listed, as soon as practicable and in any case, no later than the end of the business day following the day on which the corporation received the notice.

Any corporation that intentionally or recklessly contravenes this duty of disclosure; or in purported compliance, announces or disseminates any information knowing that it is false or misleading in a material particular or reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

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14. Restrictions and notification requirements on issuers purchasing their own shares on a stock exchange

Rule 10.05, HKSE Listing Rules

Subject to the provisions of the Code on Share Buy-backs, approved by the SFC and as amended from time to time, an issuer may purchase its shares on the Hong Kong Stock Exchange or on another stock exchange recognised for this purpose by the SFC and the Hong Kong Stock Exchange. All such purchases must be made in accordance with Rule 10.06 of the HKSE Listing Rules. The Code on Share Buy-backs must be complied with by an issuer and its directors and any breach thereof by an issuer will be a deemed breach of the HKSE Listing Rules and the Hong Kong Stock Exchange may in its absolute discretion take such action to penalise any breach of this paragraph or the listing agreement as it shall think appropriate. It is for the issuer to satisfy itself that a proposed purchase of shares does not contravene the Code on Share Buy-backs.

Rule 10.06, HKSE Listing Rules

An issuer with primary listing on the Hong Kong Stock Exchange can purchase its shares on the Hong Kong Stock Exchange, either directly or indirectly, if the relevant shares are fully-paid up, the issuer has previously sent to the shareholders an explanatory statement complying with the provisions of Rule 10.06(1)(b) of the HKSE Listing Rules and that the shareholders of the issuer have given specific approval or a general mandate to the directors to make such a purchase, provided that the amount of shares so purchased under the general mandate shall not exceed 10% of the number of issued shares of the issuer (excluding treasury shares) as at the date of the passing of the relevant shareholders' resolution granting the mandate of purchase.

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Chapter 8 of the Catalist Rules (Changes in Capital)

Part XI Share Buy-Back

Rule 866, Catalist Rules: Shareholder Approval

An issuer may purchase its own shares if it has obtained the prior specific approval of shareholders in general meeting.

Rule 867, Catalist Rules

A share buy-back may only be made by way of:

- (1) on-market purchases transacted through the SGX-ST's trading system or on another stock exchange on which the issuer's equity securities are listed ("**market acquisition**"); or
- (2) off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Singapore Companies Act.

Unless a lower limit is prescribed under the issuer's law of incorporation, such share buy-back shall not exceed 10 per cent of the total number of issued shares excluding treasury shares and subsidiary holdings as at the date of the resolution passed by shareholders for the share buy-back.

Rule 868, Catalist Rules

For the purpose of obtaining shareholder approval, the issuer must provide at least the following information to shareholders:

- (1) The information required under the Singapore Companies Act;
- (2) The reasons for the proposed share buy-back;
- (3) The consequences, if any, of share purchases by the issuer that will arise under the Singapore Takeovers Code or other applicable takeover rules;

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Rule 10.06(1)(b), HKSE Listing Rules: Explanatory statement

For the purpose of obtaining shareholders' approval, the issuer must have previously sent to its shareholders an explanatory statement (at the same time as the notice of the relevant shareholders' meeting) containing all the information reasonably necessary to enable those shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the purchase by the issuer of shares including the information set out below:

- (1) a statement of the total number and description of the shares which the issuer proposes to purchase;
- (2) a statement by the directors of the reasons for the proposed purchase of shares;
- (3) a statement by the directors as to the proposed source of funds for making the proposed purchase of shares, which shall be funds legally available for such purposes in accordance with the issuer's constitutive documents and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;
- (4) a statement as to any material adverse impact on the working capital or gearing position of the issuer (as compared with the position disclosed in its most recent published audited accounts) in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period, or an appropriate negative statement;

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- (4) Whether the share buy-back, if made, could affect the listing of the issuer's equity securities on the SGX-ST; and
- (5) Details of any share buy-back made by the issuer in the previous 12 months (whether market acquisitions or off-market acquisitions in accordance with an equal access scheme), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.
- (6) Whether the shares purchased by the issuer will be cancelled or kept as treasury shares.

Rule 869, Catalist Rules: Dealing Restriction

In the case of a market acquisition, the purchase price must not exceed 105.0% of the Average Closing Price.

"Average Closing Price" means the average of the closing market prices of a share over the last five (5) market days preceding the day of the market acquisition on which transactions in the shares were recorded and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.

Rule 870, Catalist Rules: Off-market Acquisition On An Equal Access Scheme

In the case of off-market acquisition in accordance with an equal access scheme, an issuer must issue an offer document to all shareholders containing at least the following information:

- (1) Terms and conditions of the offer;
- (2) Period and procedures for acceptances; and
- (3) Information in Rule 868(2), (3), (4), (5) and (6).

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- (5) a statement of the name of any directors, and to the best of the knowledge of the directors having made all reasonable enquiries, any close associates of the directors, who have a present intention, in the event that the proposal is approved by shareholders, to sell shares to the issuer, or an appropriate negative statement;
- (6) a statement that the directors have undertaken to the Hong Kong Stock Exchange to exercise the power of the issuer to make purchases pursuant to the proposed resolution in accordance with the HKSE Listing Rules and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;
- (7) a statement as to the consequences of any purchases which will arise under the Takeovers Code of which the directors are aware, if any;
- (8) a statement giving details of any purchases by the issuer of shares made in the previous six months (whether on the Hong Kong Stock Exchange or otherwise) giving the date of each purchase and the purchase price per share or the highest and lowest prices paid for such purchases, where relevant;
- (9) a statement as to whether or not any core connected persons of the issuer have notified the issuer that they have a present intention to sell shares to the issuer or have undertaken not to sell any of the shares held by them to the issuer, in the event that the issuer is authorised to make purchases of shares;

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Rule 871(1), Catalist Rules: Announcement of Share Buy-Back

An issuer must announce any share buy-back as follows:

- (a) In the case of a market acquisition, by 9.00 am on the market day following the day on which it purchased shares,
- (b) In the case of an off market acquisition under an equal access scheme, by 9.00 am on the second market day after the close of acceptances of the offer.

Rule 871(2), Catalist Rules

The announcement must be in the form of Appendix 8D to the Catalist Rules. Such announcement would include, *inter alia*, the name of the overseas exchange on which the company's shares are also listed, the maximum number of shares authorised for purchase, the date of purchases, the total number of shares purchased, the purchase price per share, the highest and lowest prices paid for such shares, the total purchase consideration, the cumulative number of shares purchased to date and the number of issued shares after the purchase.

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- (10) a statement giving the highest and lowest prices at which the relevant shares have traded on the Hong Kong Stock Exchange during each of the previous 12 months;
- (11) a statement that neither the explanatory statement nor the proposed share repurchase has any unusual features;
- (12) a statement of whether the issuer intends to cancel the repurchased shares following settlement of any such repurchase or hold them as treasury shares; and
- (13) the disclaimer of the Hong Kong Stock Exchange in the form set out under the HKSE Listing Rules.

15. Rule 10.06(2), HKSE Listing Rules: Dealing Restrictions

The buy-back of shares by an issuer is subject to various dealing restrictions, including, among others, (i) that an issuer shall not purchase its shares on the Hong Kong Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on Stock Exchange; (ii) that an issuer shall not purchase its shares on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time; (iii) that an issuer shall not knowingly purchase its shares from a core connected person and a core connected person shall not knowingly sell shares to the issuer, on the Hong Kong Stock Exchange, etc.

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Rule 10.06(4), HKSE Listing Rules: Reporting Requirements

- (a) An issuer shall submit for publication to Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a purchase of shares (whether on the Hong Kong Stock Exchange or otherwise), the total number of shares purchased by the issuer the previous day, the purchase price per share or the highest and lowest prices paid for such purchases, where relevant, and shall confirm that those purchases which were made on the Hong Kong Stock Exchange were made in accordance with the HKSE Listing Rules and if the issuer's primary listing is on the Hong Kong Stock Exchange, that there have been no material changes to the particulars contained in the explanatory statement. In respect of purchases made on another stock exchange, the issuer's report must confirm that those purchases were made in accordance with the domestic rules applying to purchases on that other stock exchange. Such reports shall be made on a return in such form and containing such information as the Hong Kong Stock Exchange may from time to time prescribe. In the event that no shares are purchased on any particular day then no return need be made to the Hong Kong Stock Exchange. The issuer should make arrangements with its brokers to ensure that they provide to the issuer in a timely fashion the necessary information to enable the issuer to make the report to the Hong Kong Stock Exchange.

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- (b) An issuer shall also include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the number of shares purchased each month (whether on the Hong Kong Stock Exchange or otherwise) and the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid by the issuer for such purchases. The directors' report shall contain reference to the purchases made during the year and the directors' reasons for making such purchases.

Solicitation for Proxy

Investors holding securities in listed companies listed on Stock Exchange through CCASS who want to attend the shareholders' meetings in person or appoint proxies to vote on their behalf must make a request through their broker firms or directly to HKSCC (as the case may be) to authorize the investors as corporate representatives or proxies of HKSCC Nominees (or any successor thereto) in respect of such shareholding of the investors in the listed companies.

ISSUANCE OF NEW SHARES, CONVERTIBLE BONDS OR BONDS WITH WARRANTS

1. Rules 13.36(1) to (3), HKSE Listing Rules: Preemptive rights

Except in the circumstances mentioned in Rule 13.36(2) of the HKSE Listing Rules:

- (a) the directors of the issuer shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting:
- (i) shares;
 - (ii) securities convertible into shares; or
 - (iii) options, warrants or similar rights to subscribe for any shares or such convertible securities; and

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Depositors who wish to attend and vote at the extraordinary general meeting, and whose names are shown in the records of the CDP as at a time not earlier than 72 hours prior to the time of the extraordinary general meeting supplied by CDP to the company, may attend the extraordinary general meeting in person. Such depositors who are individuals and who wish to attend the extraordinary general meeting in person need not take any further action and can attend and vote at the extraordinary general meeting.

Power of Directors to Allot and Issue Shares

Under s 161 of the Companies Act, the power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the constitution of that company.

However, notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares. Such approval need not be specific but may be general.

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- (b) the directors of the issuer shall obtain consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.

No such consent as is referred to in Rule 13.36(1)(a) of the HKSE Listing Rules shall be required:

- (a) for the allotment, issue or grant of such securities pursuant to an offer made to the shareholders of the issuer which excludes for that purpose (i) any holder of treasury shares; and/or (ii) any shareholder that is resident in a place outside Hong Kong provided the directors of the issuer consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings; or

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Rule 803, Catalist Rules

An issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

Rule 805, Catalist Rules

Except as provided in Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for the following:

- (1) The issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer; or
- (2) If a principal subsidiary of an issuer issues shares or convertible securities or options that will or may result in:
 - (a) the principal subsidiary ceasing to be a subsidiary of the issuer; or
 - (b) a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary. For example, if the issuer has a 70% interest in a principal subsidiary, shareholder approval will be required for any issue of shares in the principal subsidiary reducing the issuer's equity interest to 56%.

Rule 806(1), Catalist Rules

Subject to Rule 803, approval by an issuer's shareholders under Rule 805(1) is not required if shareholders had, by resolution in a general meeting, given a general mandate to the directors of the issuer, either unconditionally or on such conditions to issue:

- (a) shares; or
- (b) convertible securities; or
- (c) additional convertible securities issued pursuant to Rule 829, notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or

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- (b) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of (i) 20% of the number of issued shares (excluding treasury shares) of the issuer as at the date of the resolution granting the general mandate (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in Rule 7.14(3) of the HKSE Listing Rules, 20% of the number of issued shares (excluding treasury shares) of an overseas issuer following the implementation of such scheme) and (ii) the number of such securities repurchased by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the number of issued shares (excluding treasury shares) of the issuer as at the date of the resolution granting the repurchase mandate), provided that the existing shareholders of the issuer have by a separate ordinary resolution in general meeting given a general mandate to the directors of the issuer to add such repurchased securities to the 20% general mandate.

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- (d) shares arising from the conversion of the securities in (b) and (c), notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued.

Rule 806(2), Catalist Rules

A general mandate must limit the aggregate number of shares and convertible securities that may be issued according to the limits in Rules 806(2)(a) and (b) below. Unless prior shareholder approval is required under the Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the following limits.

- (a) If shareholders approve the mandate by ordinary resolution, the limit must be not more than 100% of the total number of issued shares excluding treasury shares and subsidiary holdings, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 50% of the total number of issued shares excluding treasury shares and subsidiary holdings; or
- (b) If shareholders approve the mandate by special resolution, the limit on the aggregate number of shares and convertible securities issued, whether on a pro rata or non pro rata basis, may be up to 100% of the total number of issued shares excluding treasury shares and subsidiary holdings. Shareholder approval under Rule 806(2)(b) must not be deemed by way of subscription for shares.

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The HKSE Listing Rules and Hong Kong Laws

A general mandate given to directors to issue and allot shares under Rule 13.36(2) of the HKSE Listing Rules shall only continue in force until (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or (b) revoked or varied by ordinary resolution of the shareholders in general meeting, whichever occurs first.

Catalist Rules and Singapore Laws

Rule 806(3), Catalist Rules

For the purpose of Rule 806(2), the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings is based on the issuer's total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of the resolution approving the mandate after adjusting for:

- (a) new shares arising from the conversion or exercise of convertible securities;
- (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares.

Rule 806(5), Catalist Rules

An issuer cannot rely on the general mandate for an issue of convertible securities if the maximum number of shares to be issued upon conversion cannot be determined at the time of issue of the convertible securities.

Rule 806(6), Catalist Rules

A general mandate may remain in force until the earlier of the following:

- (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution. By a resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or
- (b) it is revoked or varied by ordinary resolution of the shareholders in general meeting.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

2. Rule 13.36(5) and (5A), HKSE Listing Rules: Placing of Securities for Cash

In the case of a placing or open offer of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given under Rule 13.36 (2)(b) of the HKSE Listing Rules if the relevant price represents a discount of 20% or more to the benchmarked price of the securities, such benchmarked price being the higher of:

- (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
- (b) the average closing price in the five trading days immediately prior to the earlier of:
 - (i) the date of the announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;
 - (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
 - (iii) the date on which the placing or subscription or selling price is fixed,

unless the issuer can demonstrate that it is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves the issue of new securities at a price representing a discount of 20% or more to the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide the Hong Kong Stock Exchange with detailed information on the allottees to be issued with securities under the general mandate.

Catalist Rules and Singapore Laws

Issue of Shares, Company Warrants and Convertible Securities for Cash (Other than Rights Issue)

Rule 810(1), Catalist Rules

An issuer which intends to issue shares, company warrants or other convertible securities for cash must announce the issue promptly.

Rule 811(1), Catalist Rules

An issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the issuer's shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed.

Rule 811(2), Catalist Rules

An issue of company warrants or other convertible securities is subject to the following requirements:

- (a) If the conversion price is fixed, the price must not be more than 10% discount to the prevailing market price of the underlying shares prior to the signing of the placement or subscription agreement.
- (b) If the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10% of the prevailing market price of the underlying shares before conversion.

Rule 811(3), Catalist Rules

Rule 811(1) and (2) is not applicable if specific shareholder approval is obtained for the issue of shares, company warrants or other convertible securities.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

In the case of a sale of treasury shares on the Hong Kong Stock Exchange or any other stock exchange on which the issuer is listed, the reference to the benchmarked price in rule 13.36(5) of the HKSE Listing Rules shall be the higher of (a) the closing price on the trading day immediately prior to the sale; and (b) average closing price in the 5 trading days immediately prior to the sale.

Catalist Rules and Singapore Laws

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The HKSE Listing Rules and Hong Kong Laws

Rule 15.02, HKSE Listing Rules: Options, Warrants and Similar Rights

All warrants must, prior to the issue or grant thereof, be approved by the Hong Kong Stock Exchange and in addition, where they are warrants to subscribe equity securities (including treasury shares), by the shareholders in general meeting (unless they are issued by the directors under the authority of a general mandate granted to them by shareholders in accordance with Rule 13.36(2) of the HKSE Listing Rules). In the absence of exceptional circumstances which would include, by way of example, a rescue reorganisation, the Hong Kong Stock Exchange will only grant approval to the issue or grant of warrants to subscribe securities if the following requirements are complied with:

- (1) the securities to be issued or transferred out of treasury by the issuer on exercise of the warrants must not, when aggregated with all other equity securities which remain to be issued or transferred out of treasury by the issuer on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the number of issued shares of the issuer (excluding treasury shares) at the time such warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the HKSE Listing Rules are excluded for the purpose of this limit; and

Catalist Rules and Singapore Laws

Rule 811(4), Catalist Rules

Where specific shareholders' approval is sought, the circular must include the following:

- (a) information required under Rule 810; and
- (b) the basis upon which the discount was determined.

Issue of Company Warrants and Other Convertible Securities

Rule 824, Catalist Rules

Every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting.

Rule 825, Catalist Rules

In procuring the approval of shareholders in a general meeting, the circular to the shareholders must include the recommendation(s) of the board of directors of the issuer on such an issue of company warrants or convertible securities and the basis for such recommendation(s).

Rule 826, Catalist Rules

When listing company warrants or other convertible securities, the issuer should ensure a sufficient spread of holdings to provide for an orderly market in the securities. As a guide, the SGX-ST expects at least 100 warrantholders for a class of company warrants.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

- (2) such warrants must expire not less than one and not more than five years from the date of issue or grant and must not be convertible into further rights to subscribe securities which expire less than one year or more than five years after the date of issue or grant of the original warrants.

Rule 15.03, HKSE Listing Rules

The circular or notice to be sent to shareholders convening the requisite meeting under Rule 15.02 of the HKSE Listing Rules must include, at least, (1) the maximum number of securities which could be issued or transferred out of treasury on exercise of the warrants, (2) the period during which the warrants may be exercised and the date when this right commences, (3) the amount payable on the exercise of the warrants, (4) the arrangements for transfer or transmission of the warrants, (5) the rights of the holders on the liquidation of the issuer, (6) the arrangements for the variation in the subscription or purchase price or number of securities to take account of alterations to the share capital of the issuer, (7) the rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer, and (8) a summary of any other material terms of the warrants.

Catalist Rules and Singapore Laws

Rule 827, Catalist Rules

Company warrants or other convertible securities may be listed only if the underlying securities are (or will become at the same time) one of the following:

- (1) A class of equity securities listed on the SGX-ST.
- (2) A class of equity securities listed or dealt in on a stock market approved by the SGX-ST.

Rule 828, Catalist Rules

Each company warrant must:

- (1) give the registered holder the right to subscribe for or buy one share of the issuer; and
- (2) not be expressed in terms of dollar value.

Rule 829, Catalist Rules

The terms of the issue must provide for:

- (1) adjustment to the exercise or conversion price and, where appropriate, the number of company warrants or other convertible securities, in the event of rights, bonus or other capitalisation issues;
- (2) the expiry of the company warrants or other convertible securities to be announced, and notice of expiry to be sent to all holders of the company warrants or other convertible securities at least 1 month before the expiration date; and
- (3) Any material alteration to the terms of company warrants or other convertible securities after issue to the advantage of the holders of such securities to be approved by shareholders, except where the alterations are made pursuant to the terms of the issue.

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Rule 830, Catalist Rules

An issuer must announce any adjustment or amendment made to the terms of the issue. In the case of an adjustment, the announcement must state the specific formula, whether the adjustment has been reviewed to be in accordance with the formula, the identity of the reviewer and its relationship to the issuer.

Rule 831, Catalist Rules

- (1) An issuer must not:
 - (a) extend the exercise period of an existing company warrant;
 - (b) issue a new company warrant to replace an existing company warrant;
- (2) Except where the adjustments are made pursuant to the terms of the issue, an issuer must not:
 - (a) change the exercise price of an existing company warrant; or
 - (b) change the exercise ratio of an existing company warrant.

Rule 832, Catalist Rules

A circular or notice to be sent to shareholders in connection with a general meeting to approve the issue of company warrants or other convertible securities must include at least the following information:

- (1) The maximum number of the underlying securities which would be issued or transferred on exercise or conversion of the company warrants or other convertible securities.
- (2) The period during which the company warrants or other convertible securities may be exercised and the dates when this right commences and expires.
- (3) The amount payable on the exercise of the company warrants or other convertible securities.

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- (4) The arrangements for transfer or transmission of the company warrants or other convertible securities.
- (5) The rights of the holders on the liquidation of the issuer.
- (6) The arrangements for the variation in the subscription or purchase price and in the number of company warrants or other convertible securities in the event of alterations to the share capital of the issuer.
- (7) The rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer.
- (8) A summary of any other material terms of the company warrants or other convertible securities.
- (9) The purpose for and use of proceeds of the issue, including the use of future proceeds arising from the conversion/exercise of the company warrants or other convertible securities.
- (10) The financial effects of the issue to the issuer.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

3. Rules 7.19(1), 7.19A and 7.27A, HKSE Listing Rules: Rights Issue

Rights issues need not be underwritten.

- (1) A proposed rights issue must be made conditional on minority shareholders' approval in the manner set out in rule 7.27A of the HKSE Listing Rules if the proposed rights issue would increase either the number of issued shares (excluding treasury shares) or the market capitalization of the issuer by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12-month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12-month period where dealing in respect of the shares issued pursuant thereto commenced within 12-month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers).

Catalist Rules and Singapore Laws

Chapter 8 Part V: Rights Issues

Rule 814, Catalist Rules

- (1) An issuer which intends to make a rights issue must announce (having regard to Rule 704(24)) the issue promptly. The announcement must include the following:
 - (a) Principal terms of the issue (price, purpose of the issue, discount (specifying benchmarks and periods), allotment ratio, use of proceeds) and a description of each;
 - (b) terms of the issue;
 - (c) the amount of proceeds proposed to be raised from the issue;
 - (d) the intended use of such proceeds on a percentage allocation basis (which could be expressed as a range if the exact allocation has not been determined);

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- (2) Subject to rule 10.08 of the HKSE Listing Rules, in the period of 12 months from the date on which dealings in the securities of a new applicant commence on the Exchange, the issuer shall not effect any rights issue, unless it is made conditional on minority shareholders' approval in the manner set out in rule 7.27A of the HKSE Listing Rules. Where minority shareholders' approval is required for a rights issue or open offer:
- a. the rights issue or open offer must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour.

Catalist Rules and Singapore Laws

- (e) where the issue is proposed to be used mainly for general working capital purposes, the issuer must provide reasons for such use taking into account its working capital position;
- (f) whether the issuer's directors are of the opinion that, after taking into consideration:
- (i) the group's present bank facilities, the working capital available to the group is sufficient to meet its present requirements and if so, the directors must provide reasons for the issue; and
- (ii) the group's present bank facilities and net proceeds of the issue, unless the directors have opined, pursuant to Rule 814(1)(f)(i) above, that, after taking into consideration the group's present bank facilities, the working capital available to the group is sufficient to meet its present requirements;
- “Present requirements” in this Rule 814(1)(f) includes the transaction which will be funded (in whole or in part) by the net proceeds of the issue;
- (g) whether the issue will be underwritten;
- (h) the financial circumstances which call for the issue;
- (i) whether it has obtained a listing and quotation notice from the SGX-ST or will be seeking the listing and quotation of the new shares arising from the rights issue;

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- (j) a statement from the issuer's directors on why the issue is in the interest of the issuer and their basis for forming such views including the factors taken into consideration in arriving at any discount; and;
- (k) if the issuer undertakes the issue within 12 months from its previous equity fund raising, the following details of each fund raising exercise undertaken in the past 12 months:
 - (i) description of equity funds raised;
 - (ii) date of issue of new securities;
 - (iii) amount raised (both gross and net);
 - (iv) amount utilized and breakdown on use of proceeds; and
 - (v) amount not utilized and how it is intended to be used.

The issuer should make a negative statement if there is no such previous equity fund raising.

In addition, an issuer must observe the disclosure requirements in Appendix 8A.

- (2) If a rights issue involves an issue of convertible securities, the issuer must also comply with Part VI of Chapter 8 of the Catalist Rules.
- (3) In the allotment of any excess rights shares, a confirmation to the sponsor that preference will be given to the rounding of odd lots. Directors and substantial shareholders who have control or influence over the issuer in connection with the day-to-day affairs of the issuer or the terms of the rights issue, or have representation (direct or through a nominee) on the board of the issuer will rank last in priority for the rounding of odd lots and allotment of excess rights shares.

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The HKSE Listing Rules and Hong Kong Laws

Catalist Rules and Singapore Laws

Rule 816, Catalist Rules

- (1) Subject to Rule 816(2), a rights issue must provide for the rights to subscribe for securities to be renounceable in part or in whole in favour of a third party at the option of the entitled shareholders.
- (2) (a) An issuer can undertake non-renounceable rights issues:
 - (i) subject to specific shareholders' approval; or
 - (ii) in reliance on the general mandate to issue rights shares in a non-renounceable rights issue if the rights shares are priced at not more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the rights issue is announced. If trading in the issuer's shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the rights issue is announced.
- (b) The non-renounceable rights issue must comply with Part V of Chapter 8 except Rule 816(1).

Rule 821, Catalist Rules

No date must be fixed for the closing of books until the SGX-ST has issued a listing and quotation notice.

Rule 823(2), Catalist Rules

An issuer making a rights issue must observe any time-table published by the SGX-ST.

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The HKSE Listing Rules and Hong Kong Laws

Catalist Rules and Singapore Laws

Rule 833, Catalist Rules

The following additional requirements apply to an offer of company warrants or other convertible securities by way of a rights issue or bought deal:

- (1) The issuer's announcement of the rights issue or bought deal must include either:
 - (a) the exercise or conversion price of the company warrants or other convertible securities, or
 - (b) a price-fixing formula to determine the exercise or conversion price. The price-fixing formula must not contain any discretionary element and the amount of premium or discount (in relation to the underlying share price) must be specified.
- (2) Where a price-fixing formula is adopted:
 - (a) if the issue is not underwritten, the issuer must fix and announce the exercise or conversion price before the close of the offer; or
 - (b) if the issue is underwritten, the issuer must fix and announce the exercise or conversion price before the commencement of nil-paid rights trading.
- (3) An offer of company warrants or convertible securities by way of a bought deal must comply with Part V of Chapter 8 of the Catalist Rules.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

4. Rule 17.03, HKSE Listing Rules: Terms of Share Option Schemes

The terms and provisions of the scheme must provide, *inter alia*:

- (i) the total number of securities which may be issued upon exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10% of the relevant class of securities of the listed issuer (or the subsidiary) in issue (excluding treasury shares) as at the date of approval of the scheme. The period within which the securities must be taken up under the option must not be more than 10 years from the date of grant of the option, and the life of the scheme must not be more than 10 years;
- (ii) the maximum entitlement of each participant under the scheme (including both exercised and outstanding options) in any 12 month period must not exceed 1% of the relevant class of securities of the issuer (or the subsidiary) in issue; and
- (iii) the basis of determination of the exercise price – the exercise price of the scheme, which must be at least the higher of: (i) the closing price of the securities as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the securities as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. For the purpose of calculating the exercise price where an issuer has been listed for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing.

Catalist Rules and Singapore Laws

Terms of Schemes

Rule 843, Catalist Rules

Participation in a scheme must be restricted to directors and employees of the issuer and its subsidiaries, except that:

- (1) directors and employees of an associated company of the issuer may participate in the scheme if the issuer has control over the associated company.
- (2) directors and employees of the issuer's parent company and its subsidiaries who have contributed to the success and development of the issuer may participate in the scheme.

Rule 844, Catalist Rules

A limit on the size of each scheme, the maximum entitlement for each class or category of participant (where applicable), and the maximum entitlement for any one participant (where applicable) must be stated.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

5. Section 270 of the SFO HK: Insider dealing

In general terms, subject to the specified exempted circumstances, Section 270 of the SFO HK prohibits persons from dealing in listed securities (or their derivatives) of a corporation, or otherwise counsels or procures another person to deal in such listed shares (or their derivatives) when such person is connected with the corporation and has information which he knows is relevant information in relation to the corporation.

Section 278 of the SFO HK: Stock Market Manipulation

Section 278 of the SFO HK prohibits persons in Hong Kong or elsewhere from:

- (a) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction increase, or are likely to increase, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to purchase or subscribe for, or to refrain from selling, securities of the corporation or of a related corporation of the corporation;
- (b) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction reduce, or are likely to reduce, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to sell, or to refrain from purchasing, securities of the corporation or of a related corporation of the corporation; or

Catalist Rules and Singapore Laws

Sections 218 and 219, Singapore Securities and Futures Act

Sections 218 and 219 of the Singapore Securities and Futures Act prohibit persons from dealing in securities of a corporation if any such person knows or reasonably ought to know that he is in possession of information that is not generally available, and if it was generally available it might have a material effect on the price or value of securities of that corporation.

Such persons include:

- (1) officers of a corporation or a related corporation;
- (2) substantial shareholders of a corporation or a related corporation; and
- (3) a person who occupies a position reasonably expected to give him access to inside information by virtue of:
 - (a) any professional or business relationship existing between himself (or his employer or a corporation of which he is an officer) and that corporation or a related corporation; or
 - (b) being an officer of a substantial shareholder in that corporation or in a related corporation.

Section 198(1), Singapore Securities and Futures Act: Securities Market Manipulation

No person shall effect, take part in, be concerned in or carry out, directly or indirectly, two (2) or more transactions in securities of a corporation, being transactions that have or likely to have the effect of raising, lowering, maintaining or stabilising the price of the securities with intent to induce other persons to subscribe for, purchase or sell securities of the corporation or of a related corporation.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

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- (c) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction maintain or stabilise, or are likely to maintain or stabilise, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to sell, purchase or subscribe for, or to refrain from selling, purchasing or subscribing for, securities of the corporation or of a related corporation of the corporation.

BOARD COMPOSITION

Rules 3.10, 3.10A and 8.12

Every board of directors of an issuer must include at least three independent non-executive directors; and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. An issuer must appoint independent non-executive directors representing at least one-third of the board.

A new applicant applying for a primary listing on the Hong Kong Stock Exchange must have sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

Catalist Rules and Singapore Laws

Chief Executive Officer

Principle 3 of the Code of Corporate Governance 2018 (“COCG”)

Guideline 3.1, COCG

The Chairman of the board of directors (the “**Chairman**”) and the chief executive officer (or equivalent) (the “**CEO**”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. Rule 1204(10A) of the SGX Listing Rules (Catalist) requires the Board to disclose the relationship between the Chairman and the CEO if they are immediate family members.

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The HKSE Listing Rules and Hong Kong Laws

Rules 3.21 and 3.22, HKSE Listing Rules: Audit Committee

Every listed issuer must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise. The majority of the audit committee members must be independent non-executive directors of the listed issuer. The audit committee must be chaired by an independent non-executive director. The board of directors of the issuer must approve and provide written terms of reference as required under Rule 3.22.

Catalist Rules and Singapore Laws

Guideline 3.3, COCG

The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Audit Committee

Principle 10, COCG

The Board has an Audit Committee (“AC”) which discharges its duties objectively.

Guideline 10.2, COCG

The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

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The HKSE Listing Rules and Hong Kong Laws

Catalist Rules and Singapore Laws

Section 201B, Singapore Companies Act

- (1) Every listed company shall have an audit committee.
- (2) An audit committee shall be appointed by the directors from among their number (pursuant to a resolution of the board of directors) and shall be composed of 3 or more members of whom a majority shall not be:
 - (a) executive directors of the company or any related corporation;
 - (b) a spouse, parent, brother, sister, son or adopted son or daughter or adopted daughter of an executive director of the company or of any related corporation; or
 - (c) any person having a relationship which, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the functions of an audit committee.
- (3) The members of an audit committee shall elect a chairman from among their number who is not an executive director or employee of the company or any related corporation.
- (4) If a member of an audit committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below 3, the board of directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

Rules 3.25 and 3.26, HKSE Listing Rules: Remuneration Committee

An issuer must establish a remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors. The board of directors must approve and provide written terms of reference for the remuneration committee which clearly establish its authority and duties.

Remuneration Matters

Principle 6, COCG

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his own remuneration.

APPENDIX H – FURTHER INFORMATION ABOUT THE DUAL LISTING

The HKSE Listing Rules and Hong Kong Laws

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Rule 3.27A and 3.27B, HKSE Listing Rules: Nomination Committee

Issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The board of directors must approve and provide written terms of reference for the nomination committee which clearly establish its authority and duties.

Catalist Rules and Singapore Laws

Guideline 6.2, COCG

The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

Nominating Committee

Principle 4, COCG

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

Guideline 4.2, COCG

The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

INTERESTED PERSON TRANSACTIONS OR CONNECTED TRANSACTIONS

Chapter 14A of the HKSE Listing Rules (Connected Transactions)

Chapter 14A of the Listing Rules specifies circumstances in which transactions between an issuer and certain specified persons (including connected persons) are, unless otherwise exempted, subject to the shareholders' approval, annual review and disclosure requirements.

Chapter 9 of the Catalist Rules (Interested Person Transactions)

Chapter 9 of the Catalist Rules, which applies to the Company, prescribes situations in which transactions between entities at risk (as defined in the Catalist Rules) and interested persons (as defined in the Catalist Rules) are required to be disclosed or are subject to the prior approval of shareholders.

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The HKSE Listing Rules and Hong Kong Laws

Rules 14A.07 and 14A.24, HKSE Listing Rules

“Connected person” is defined to include a director, chief executive or substantial shareholder of the listed issuer or any of its subsidiaries, any person who was a director of the listed issuer or any of its subsidiaries in the last 12 months, a supervisor of a PRC issuer or any of its subsidiaries, an associate of the respective persons as aforesaid, a connected subsidiary, or a person deemed to be connected by the Hong Kong Stock Exchange.

“Transaction” include both capital and revenue nature transactions, whether or not conducted in the ordinary and usual course of business of the listed issuer’s group. This includes the following types of transactions:

- (a) the acquisition or disposal of assets by a listed issuer’s group including deemed disposals;
- (b) any transaction involving a listed issuer’s group granting, accepting, transferring, exercising or terminating an option to acquire or dispose of assets or to subscribe for securities; or the listed issuer’s group deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;
- (c) entering into or terminating finance leases or operating leases or sub-leases;
- (d) granting an indemnity or providing or receiving financial assistance. “Financial assistance” includes granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan;
- (e) entering into an agreement or arrangement to set up a joint venture entity in any form, such as a partnership or a company, or any other form of joint arrangement;

Catalist Rules and Singapore Laws

Rule 904, Catalist Rules

For the purposes of Chapter 9, the following definitions apply:

- (1) “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9.
- (2) “entity at risk” means:
 - (a) the issuer;
 - (b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (c) an associated company of the issuer 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.
- (4) “interested person” means:
 - (a) a director, chief executive officer, or controlling shareholder of the issuer; or
 - (b) an associate of any such director, chief executive officer, or controlling shareholder.
- (5) “interested person transaction” means a transaction between an entity at risk and an interested person.
- (6) “transaction” includes:
 - (a) the provision or receipt of financial assistance;
 - (b) the acquisition, disposal or leasing of assets;
 - (c) the provision or receipt of services;

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- (f) issuing new securities, or selling or transferring treasury shares of the listed issuer or its subsidiaries, including underwriting or sub-underwriting an issue of securities or a sale or transfer of treasury shares;
- (g) providing, receiving or sharing of services; or
- (h) acquiring or providing raw materials, intermediate products and/or finished goods.

Catalist Rules and Singapore Laws

- (d) the issuance or subscription of securities;
- (e) the granting of or being granted options; and
- (f) 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 (for example, through one or more interposed entities).

(7) “defence funding” means:

- (a) The provision of a loan to a director or a chief executive officer of an entity at risk to meet expenditure incurred or to be incurred:
 - (i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by that person in relation to the entity at risk; or
 - (ii) in connection with an application for relief; or
 - (iii) defending himself in an investigation by a regulatory authority or against any action proposed to be taken by a regulatory authority, in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the entity at risk; or
- (b) any action to enable such director or chief executive officer to avoid incurring such expenditure.

(8) “net profits” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

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Rules 14A.35 to 37, 14A.49, 14A.71, 14A.76, HKSE Listing Rules: Reporting, Announcement and Independent Shareholders' Approval Requirements for Connected Transactions Rules 14A.35, 14A.36 and 14A.47

Where any connected transaction is proposed, the transaction must be announced as soon as practicable after its terms have been agreed and where shareholders' approval for the connected transaction is required, a circular must be sent to shareholders giving information about the transaction. Prior approval of the shareholders in general meeting will be required before the transaction can proceed, unless it is otherwise exempted under the HKSE Listing Rules.

Catalist Rules and Singapore Laws

Under the Catalist Rules, "financial assistance" includes:

- (a) the lending of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and
- (b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another.

General Requirements

Rule 905, Catalist Rules

- (1) An issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets.
- (2) If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.
- (3) Rule 905(1) and (2) does not apply to any transaction below S\$100,000.

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Rules 14A.37, 14A.73, 14A.76 HKSE Listing Rules

Certain categories of transactions are exempt from the general meeting requirements and the Hong Kong Stock Exchange accepts a written shareholder's approval (subject to certain conditions as set out in Rule 14A.37 of the HKSE Listing Rules), and certain transactions are subject only to annual review and disclosure requirements. Amongst other exemptions under the HKSE Listing Rules, a connected transaction conducted on normal commercial terms or better will constitute a de minimis transaction under Rule 14A.76(1) of the HKSE Listing Rules, which will be exempt from shareholders' approval, annual review and all disclosure requirements, where each of the percentage ratios (other than the profits ratio) is less than 0.1% or less than 1% (where the connected transaction only involves a connected person at the issuer's subsidiary's level), or each of the percentage ratios (other than the profits ratio) is less than 5% and the total consideration is less than HK\$3,000,000.

Catalist Rules and Singapore Laws

Rule 906, Catalist Rules

- (1) An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:
 - (a) 5% of the group's latest audited net tangible assets; or
 - (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.
- (2) Rule 906(1) does not apply to any transaction below S\$100,000.
- (3) If the group's latest audited net tangible assets is negative, the issuer should consult the SGX-ST on the appropriate benchmark to calculate the relevant threshold in Rule 906(1), which may be based on its market capitalisation.
- (4) While transactions below \$100,000 are not normally aggregated under Rule 906(2), the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902.

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Rules 14A.49, 14A.71, HKSE Listing Rules: Reporting Requirements

The listed issuer's annual report must contain the following information on the connected transactions conducted in that financial year (including continuing connected transactions under agreements signed in previous years):

- (1) the transaction date;
- (2) the parties to the transaction and a description of their connected relationship;
(3) a brief description of the transaction and its purpose;
- (4) the total consideration and terms;
- (5) the nature of the connected person's interest in the transaction; and
- (6) for continuing connected transactions,
 - (a) confirmation from the listed issuer's independent non-executive directors on the matters set out in Rule 14A.55 of the HKSE Listing Rules; and
 - (b) statement from the listed issuer's board of directors whether the auditors have confirmed the matters set out in Rule 14A.56 of the HKSE Listing Rules.

Catalist Rules and Singapore Laws

Rule 907, Catalist Rules

An issuer must disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the prescribed format.

General Mandate

Rule 920(1), Catalist Rules

An issuer may seek a general mandate from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

- (a) An issuer must:
 - (i) disclose the general mandate in the annual report, giving details of the aggregate value of transactions conducted pursuant to the general mandate during the financial year. The disclosure must be in the form set out in Rule 907; and
 - (ii) announce the aggregate value of transactions conducted pursuant to the general mandate for the financial periods which it is required to report on pursuant to Rule 705 within the time required for the announcement of such report. The disclosure must be in the form set out in Rule 907.
- (b) A circular to shareholders seeking a general mandate must include:
 - (i) the class of interested persons with which the entity at risk will be transacting;
 - (ii) the nature of the transactions contemplated under the mandate;

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- (iii) the rationale for, and benefit to, the entity at risk;
 - (iv) the methods or procedures for determining transaction prices;
 - (v) the independent financial adviser's opinion on whether the methods or procedures in (iv) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders;
 - (vi) an opinion from the audit committee if it takes a different view to the independent financial adviser;
 - (vii) a statement from the issuer that it will obtain a fresh mandate from shareholders if the methods or procedures in (iv) become inappropriate; and
 - (viii) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.
- (c) An independent financial adviser's opinion is not required for the renewal of a general mandate provided that the audit committee confirms that:
- (i) the methods or procedures for determining the transaction prices have not changed since last shareholder approval; and
 - (ii) the methods or procedures in Rule 920(1)(c)(i) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders.
- (d) Transactions conducted under a general mandate are not separately subject to Rules 905 and 906.

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Rules 14A.81 to 14A.86 HKSE Listing Rules: Aggregation of Transactions

The Hong Kong Stock Exchange will aggregate a series of connected transactions and treat them as if they were one transaction if they were all entered into or completed within a 12 month period or are otherwise related. The listed issuer must comply with the applicable connected transaction requirements based on the classification of the connected transactions when aggregated. The aggregation period will cover 24 months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover.

Factors that the Hong Kong Stock Exchange will consider for aggregation of a series of connected transactions include whether:

- (1) they are entered into by the listed issuer's group with the same party, or parties who are connected with one another;
- (2) they involve the acquisition or disposal of parts of one asset, or securities or interests in a company or group of companies; or
- (3) they together lead to substantial involvement by the listed issuer's group in a new business activity.

The Hong Kong Stock Exchange may aggregate all continuing connected transactions with a connected person.

The listed issuer must consult the Hong Kong Stock Exchange before the listed issuer's group enters into any connected transaction if:

- (1) the transaction and any other connected transactions entered into or completed by the listed issuer's group in the last 12 months fall under any of the circumstances described in Rule 14A.82 of the HKSE Listing Rules; or

Catalist Rules and Singapore Laws

Rule 908, Catalist Rules

In interpreting the term "same interested person" for the purpose of aggregation in Rules 905, 906 and 907, the following applies:

- (1) Transactions between an entity at risk and interested person are deemed to be transactions within an entity at risk with the same interested person.

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

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

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- (2) the transaction and any other transactions entered into by the listed issuer's group involve the acquisition of assets from a person or group of persons or any of their associates within 24 months after the person(s) gain control (as defined in the Takeover Code) of the listed issuer.

The listed issuer must provide information to the Hong Kong Stock Exchange on whether it should aggregate the transactions.

The Hong Kong Stock Exchange may aggregate a listed issuer's connected transactions even if the listed issuer has not consulted the Hong Kong Stock Exchange.

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As an example, Entity-At-Risk A, Listed B, Listed C and Unlisted D are all subsidiaries of Ultimate E. Listed B, Listed C and Ultimate E have boards, the majority of whose directors are different and are not accustomed to act on the instructions of Ultimate E and its associates and have audit committees whose members are completely different. Transactions between Entity-At-Risk A and Listed B need not be aggregated with transactions between Entity-At-Risk A and Listed C or with transactions between Entity-At-Risk A and Ultimate E. Transactions.

Shareholder Approval

Rule 918, Catalist Rules

If a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

Rule 919, Catalist Rules

In a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

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Rules 14A.76, 14A.89, 14A.92 to 14A.95, 14A.97 to 14A.101, HKSE Listing Rules: Exemptions

The connected transactions (other than an issue of new securities, or a sale or transfer of treasury shares by the listed issuer) which can be exempt from the connected transaction requirements include:

- (1) de minimis transactions;
- (2) financial assistance on normal commercial terms or better; and in proportion to the equity interest directly held by the listed issuer or its subsidiary in the connected person or the commonly held entity;
- (3) issue of new securities by the listed issuer or its subsidiary if (a) the connected person receives a pro rata entitlement to the issue as a shareholder; (b) the connected person subscribes for the securities in a rights issue or open offer; (c) the securities are issued to the connected person under a share option scheme; or (d) the securities are issued under a “top-up placing and subscription”;
- (4) dealings in securities on the Hong Kong Stock Exchange as prescribed under Rule 14A.93 of the HKSE Listing Rules;
- (5) any repurchase of own securities by a listed issuer or its subsidiary from a connected person on Stock Exchange or a recognised stock exchange or under a general offer made under the Code on Share Buy-backs;
- (6) the entering into of a service contract by a director of the listed issuer with the listed issuer or its subsidiary;

Catalist Rules and Singapore Laws

Exceptions

Rule 915, Catalist Rules

The following transactions are not required to comply with Rules 905, 906 and 907:

- (1) A payment of dividends, a subdivision or consolidation of shares, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of the issuer’s shares, made to all shareholders on a pro-rata basis, including the exercise of rights, options or company warrants granted under the preferential offer.
- (2) The grant of options, and the issue of securities pursuant to the exercise of options, under an employees’ share option scheme for which a listing and quotation notice has been issued by the SGX-ST.
- (3) A transaction between an entity at risk and an investee company, where the interested person’s interest in the investee company, other than that held through the issuer, is less than 5%.
- (4) A transaction in marketable securities carried out in the open market where the counterparty’s identity is unknown to the issuer at the time of the transaction.
- (5) A transaction between an entity at risk and an interested person for the provision of goods or services if:
 - (a) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and
 - (b) the sale prices are applied consistently to all customers or class of customers.

Such transactions include telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets.

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- (7) the acquisition as consumer or selling consumer goods or services to a connected person on normal commercial terms or better in its ordinary and usual course of business if such goods and services are (a) of a type ordinarily supplied for private use or consumption, (b) for the acquirer's own consumption or use, (c) consumed or used by the acquirer in the same state as when they were acquired, (d) on terms no more favorable to the connected person or no less favorable to the listed issuer's group than those available from independent third parties;
- (8) the sharing of administrative services between the listed issuer's group and a connected person on a cost basis;
- (9) transactions with associates of passive investors; and
- (10) transactions with connected persons at the subsidiary level.

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- (6) The provision of financial assistance or services by a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business.
- (7) The receipt of financial assistance or services from a financial institution that is licensed or approved by the Authority, on normal commercial terms and in the ordinary course of business.
- (8) Director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).
- (9) Insurance coverage and indemnities for directors and chief executive officers against liabilities attaching to them in relation to their duties as officers of the entity at risk, to the extent permitted under the Singapore Companies Act, and regardless of whether the entity at risk is subject to the Singapore Companies Act.
- (10) Defence funding for directors and chief executive officers of the entity at risk to the extent permitted under sections 163A and 163B of the Singapore Companies Act, regardless of whether the entity at risk is subject to the Singapore Companies Act, provided that in the case of defence funding permitted under section 163B of the Singapore Companies Act, such defence funding is to be repaid upon any action taken by a regulatory authority against him. For this purpose, references to "director" in sections 163A and 163B of the Singapore Companies Act shall be read as references to "director or chief executive officer".

In the case of defence funding under section 163A of the Singapore Companies Act, defence funding shall be repaid in accordance with the timeline stipulated in section 163A(2)(b) of the Singapore Companies Act.

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Rule 916, Catalist Rules

The following transactions are not required to comply with Rule 906:

- (1) The entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by a valuation carried out by a property valuer.
- (2) Investment in a joint venture with an interested person if:
 - (a) the risks and rewards are in proportion to the equity of each joint venture partner;
 - (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
 - (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.
- (3) The provision of a loan to a joint venture with an interested person if:
 - (a) the loan is extended by all joint venture partners in proportion to their equity and on the same terms;
 - (b) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture; and

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(c) the issuer confirms by an announcement that its audit committee is of the view that:

1. the provision of the loan is not prejudicial to the interests of the issuer and its minority shareholders; and
2. the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders.

(4) The award of a contract by way of public tender to an interested person if:

(a) the awarder entity at risk announces following information:

- (i) the prices of all bids submitted;
- (ii) an explanation of the basis for selection of the winning bid; and

(b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awarder (or if the awarder is unlisted, its listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

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- (5) The receipt of a contract which was awarded by way of public tender, by an interested person if:
- (a) the bidder entity at risk announces the prices of all bids submitted; and
 - (b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awardee (or if the awardee is unlisted, the listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

RESTRICTIONS ON DEALINGS OF DIRECTORS BEFORE PUBLICATION OF THE FINANCIAL RESULTS

Rules A3, B8, B9 and C14 of Appendix C3, HKSE Listing Rules

Rule 1204(19)(c), Catalist Rules

Rule A3

A director must not deal in any securities of the listed issuer on any day on which its financial results are published and:

A listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements (if the issuer announces its quarterly financial statements), or one month before the announcement of the company's half year and full year financial statements (if the issuer does not announce quarterly financial statements).

- (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional as described in Rule C14 below. In any event, the director must comply with the procedure in the Rules B.8 and B.9 of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Directors Dealing Code").

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The listed issuer must notify the Hong Kong Stock Exchange in advance of the commencement of each period during which directors are not allowed to deal under Rule A.3 of the Directors Dealing Code. Such period will cover any period of delay in the publication of a results announcement.

Rule C14

If a director proposes to sell or otherwise dispose of securities of the listed issuer under exceptional circumstances where the sale or disposal is otherwise prohibited under the Directors Dealing Code, the director must comply with the provisions of the Rule B.8 of the Directors Dealing Code regarding prior written notice and acknowledgement. The director must satisfy the chairman or the designated director that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the director before the director can sell or dispose of the securities. The listed issuer shall give written notice of such sale or disposal to the Hong Kong Stock Exchange as soon as practicable stating why it considered the circumstances to be exceptional. The listed issuer shall publish an announcement in accordance with Rule 2.07C of the HKSE Listing Rules immediately after any such sale or disposal and state that the chairman or the designated director is satisfied that there were exceptional circumstances for such sale or disposal of securities by the director.

Rule B8

Under the Directors Dealing Code, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement. In his own case, the chairman must first notify the board at a board meeting, or alternatively notify a director (otherwise than himself) designated by the board for the purpose and receive a dated written acknowledgement before any dealing. The designated director must not deal in any securities of the listed issuer without first notifying the chairman and receiving a dated written acknowledgement.

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In each case, (a) a response to a request for clearance to deal must be given to the relevant director within five business days of the request being made; and (b) the clearance to deal in accordance with (a) above must be valid for no longer than five business days of clearance being received.

Rule B9

The procedure established within the listed issuer must, as a minimum, provide for there to be a written record maintained by the listed issuer that the appropriate notification was given and acknowledged pursuant to Rule B.8 of the Directors Dealing Code, and for the director concerned to have received written confirmation to that effect.

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II. Takeover Obligations

1. The Singapore Takeovers Code

The Singapore Takeovers Code regulates the acquisition of ordinary shares of public companies and contains certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with persons acting in concert with him, in 30.0% or more of the Company's voting Shares, or, if such person holds, either on his own or together with persons acting in concert with him, between 30.0% and 50.0% (both inclusive) of the Company's voting Shares, and if he (or persons acting in concert with him) acquires additional voting Shares representing more than 1.0% of the Company's voting Shares in any six (6) month period, must, except with the consent of the Securities Industry Council in Singapore, extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Takeovers Code.

"Persons acting in concert" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Without prejudice to the general application of this definition, the following individuals and companies are presumed to be acting in concert with each other (unless the contrary is established). They are as follows:

- a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- a company and any of its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);

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- a company and any of its pension funds and employee share schemes;
- a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- a financial or other professional adviser and its clients in respect of shares held by the adviser and persons controlling, controlled by or under the same control as the adviser;
- directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- partners; and
- an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or persons acting in concert with the offeror within the six (6) months preceding the acquisition of Shares that triggered the mandatory offer obligation. Under the Singapore Takeovers Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

2. *The Takeovers Code*

Public companies with a primary listing of their equity securities in Hong Kong fall within the regulatory framework of the Takeovers Code. The Takeovers Code is not legally enforceable. Its purpose is to provide guidelines for companies and their advisers contemplating, or becoming involved in, takeovers and mergers *affecting* public companies in Hong Kong.

The aim of the *Takeovers Code* is to ensure fair treatment of shareholders who are affected by takeovers, mergers and share buy-backs. It requires the timely disclosure of adequate information to enable shareholders to make an informed decision as to the merits of any offer. It also provides an orderly framework within which takeovers, mergers and share buy-backs are to be conducted.

The Takeovers Code regulates acquisitions of shares (whether by way of takeovers, mergers and share buy-back) in an offeree company and a potential offeree company, or a company in which control may change or be consolidated would be relevant.

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Control is currently defined as a holding, or aggregate holdings, of 30.0% or more of the voting rights of a company, irrespective of whether that holding or holdings gives de facto control.

The Takeovers Code also applies not only to the offeror and the offeree company, but also to those persons “acting in concert” with the offeror. Under the Takeovers Code, “persons acting in concert” are persons who “pursuant to an agreement or understanding (whether formal or informal), actively cooperate to obtain or consolidate control of a company through the acquisition by any of them of voting rights of the company”. The Takeovers Code also describes classes of persons who are presumed to be acting in concert with others in the same class unless the contrary is established.

The Takeovers Code requires the making of a mandatory general offer to holders of each class of equity share capital of the offeree company, whether the class carries voting rights or not, and also to the holders of any class of voting non-equity share capital in which such person, or persons acting in concert with him, hold shares, unless a waiver has been granted by the executive of the Securities and Futures Commission, where a person or a group of persons acting in concert (a) acquires control of a company (meaning 30.0% or more of the voting rights), whether by a series of transactions over a period of time, or not; or (b) when already holding between 30.0% and 50.0% of the voting rights of a company, acquires more than 2.0% of the voting rights in the offeree company in a twelve month period ending on and inclusive of the date of the relevant acquisition.

In either of the above cases, an offer must be made to the shareholders. The offer must be in cash or accompanied by a cash alternative at not less than the highest price paid by the offeror (or any person acting in concert with it) for shares of that class of the offeree company during the offer period and within six months prior to its commencement.

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APPENDIX I – COMPARISON OF SUBSTANTIAL SHAREHOLDING DISCLOSURE REQUIREMENTS UNDER SINGAPORE AND HONG KONG RULES

INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

The Shares are currently listed on the Main Board of the HKSE. The summary below shows the major differences in substantial shareholding disclosure requirements between the HKSE Listing Rules and the Catalist Rules, certain applicable laws and regulations of Singapore and Hong Kong, the takeover rules under the Singapore Takeovers Code, the Hong Kong Takeovers Code and certain relevant legislations concerning companies with listed securities.

However, this summary is for general guidance only and is not and shall not be relied on as legal advice or any other advice to Shareholders. The summary is not meant to be a comprehensive or exhaustive description of all the relevant Singapore and Hong Kong laws, rules and regulations. In addition, Shareholders should also note that the laws, rules and regulations applicable to our Company and Shareholders may change, whether as a result of proposed legislative reforms to the Singapore or Hong Kong laws, rules or regulations or otherwise.

Prospective investors and/or Shareholders should consult their own legal advisers for specific legal advice concerning their legal rights and obligations under Singapore laws and Hong Kong laws. In the event of any conflict between the Hong Kong laws, rules and regulations, including but not limited to the Listing Rules, the Takeovers Code and Part XV of the SFO HK, on the one hand, and Singapore laws, rules and regulations, including but not limited to the Catalist Rules, the Companies Act, the Singapore Takeovers Code, and the SFA, on the other hand, we shall comply with the more restrictive and stringent rule.

	Singapore Rules	Hong Kong Rules
Disclosure by a substantial shareholder	The SFA requires disclosure when a person acquires or ceases to have a notifiable interest and when there is a change in the percentage level (i.e. the figure rounded down to the next whole number) of his interest.	The SFO HK requires disclosure when a person acquires or ceases to have a notifiable interest and when there is a change in the percentage level (i.e. the figure rounded down to the next whole number) of his interest.
What is substantial shareholding disclosure threshold	The Singapore threshold for disclosure is 5% of a listed company's issued voting share capital.	The Hong Kong threshold for disclosure is 5% of a listed company's issued voting share capital.
When is a notification required	<ul style="list-style-type: none"> – When a person first becomes interested in 5% or more of the shares of a listed company; – when a person's interest drops below 5%; – when there is an increase or decrease in the percentage level (i.e. the figure rounded down to the next whole number) of a person's holding above 5% (e.g. his interest increases from 6.8% to 7.1% – the percentage level increases from 6% to 7%). 	<ul style="list-style-type: none"> (i) When a person first becomes interested in 5% or more of the shares of a listed company; (ii) When a person's interest drops below 5%; (iii) When there is an increase or increase in percentage figure of a person's holding that results in the person's interest crossing over a whole percentage number which is above 5% (e.g. one's interest increases from 6.8% to 7.1% – crossing over 7% or it decreases from 8.1% to 7.8% crossing over 8%);

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	Singapore Rules	Hong Kong Rules
		<p>(iv) When a person has a notifiable interest and the nature of the interest in the shares changes;</p> <p>(v) When a person has a notifiable interest and a person come to have, or cease to have, a short position of more than 1% (e.g. when a person is already interested in 6.8% of the shares of a listed company and write, issue or become the holder of an equity derivative under which the person has a short position of 1.9%);</p> <p>(vi) When a person has a notifiable interest and there is an increase or decrease in the percentage figure of the person's short position that results in the person's short position crossing over a whole percentage number which is above 1% (e.g. the person is already interested in 6.8% of the shares of a listed corporation and increase the person's short position from 1.9% to 2.1% or decrease it from 6.2% to 5.8%);</p> <p>(vii) If a person has an interest in 5% or more of the shares of a corporation that is being listed, shares of a class that is being listed, or shares of a class which are being given full voting rights;</p> <p>(viii) If the 5% threshold is reduced (and a person has a notifiable interest immediately after the reduction) or the 1% threshold for short positions is reduced (and a person has a notifiable interest and a short position that is notifiable immediately after the reduction).</p>

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	Singapore Rules	Hong Kong Rules
<p>What is an interest in shares</p>	<p>The following sections under the SFA primarily summarises an interest in shares:</p> <p>A person has an interest in shares if the person has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, those shares. It is immaterial that the authority of a person to dispose of, or to exercise control over the disposal of, particular shares is, or is capable of being made, subject to restraint or restriction.</p> <p>Where any property held in trust consists of or includes shares and a person knows, or has reasonable grounds for believing, that the person has an interest under the trust, the person is deemed to have an interest in those shares.</p> <p>Where a body corporate has, or is by the provisions of this section deemed to have, an interest in a share and –</p> <p>(a) the body corporate is, or its directors are, accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of a person; or</p> <p>(b) a person has a controlling interest in the body corporate,</p> <p>that person is deemed to have an interest in that share.</p> <p>Where a body corporate has, or is by the provisions of this section (apart from this subsection) deemed to have, an interest in a share and –</p> <p>(a) a person is;</p> <p>(b) the associates of a person are; or</p> <p>(c) a person and the person's associates are,</p> <p>entitled to exercise or control the exercise of not less than 20% of the voting power in the body corporate, that person is deemed to have an interest in that share.</p>	<p>(A) Interest in shares</p> <p>According to s.322(2) of the Securities and Futures Ordinance, a person will have an “interest” in shares if the person has an interest of any kind whatsoever in the voting shares, and for that purpose any restraint or restriction to which the exercise of a right attached to the interest may be subject shall be disregarded. For examples:</p> <p>(i) If a person's name is listed in the register of members maintained by a corporation;</p> <p>(ii) If the shares are held for a person by another person such as stockbroker, a custodian, a trustee or a nominee (e.g. in the Central Clearing and Settlement System (“CCASS”) or with HKSCC Nominees Limited, the CCASS depository);</p> <p>(iii) If a person is deemed by Part XV to be interested in the shares (see (B) below);</p> <p>(iv) If a person enters into a contract (for example if you hold, write or issue financial instruments including equity derivatives) that gives you a right to shares, a right of first refusal of shares, or to a payment in the event of a change in the price of shares (see (C) below);</p> <p>(v) If a person holds shares as security;</p> <p>(vi) If a person is entitled to exercise rights attaching to the shares or control their exercise (voting rights) or the right to sell the shares themselves. Hence if a person is a fund manager, that person would normally have an interest in the shares in the fund(s) that that person manages.</p>

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	Singapore Rules	Hong Kong Rules
	<p>A person is an associate of another person if the firstmentioned person is –</p> <ul style="list-style-type: none"> (a) a subsidiary of that other person; (b) a person who is accustomed or is under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of that other person in relation to the share; or (c) a body corporate that is, or a majority of the directors of which are, accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of that other person in relation to the share. (d) Where a person – <ul style="list-style-type: none"> (a) has entered into a contract to purchase a share; (b) has a right, otherwise than by reason of having an interest under a trust, to have a share transferred to the person or to the person’s order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; (c) has the right to acquire a share, or an interest in a share, under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or (d) is entitled (otherwise than by reason of the person having been appointed a proxy or representative to vote at a meeting of members of a corporation or of a class of its members) to exercise or control the exercise of a right attached to a share, not being a share of which the person is the registered holder, 	<p>A person has an interest in shares if that person has any right whatsoever in relation to the shares, that person has a right to receive a payment in the event of a change in the price of shares or may be required to take the shares, even if that person’s right to the shares (or payment) or obligation to take the shares is conditional or is subject to any restraint or restriction. For example, if on 3 April 2003 a person agreed to buy 5% of a listed corporation’s shares, subject to approval by the shareholders of the listed corporation at a meeting on 15 April 2003, that person will be taken to have an interest in the shares on 3 April 2003. It is also irrelevant whether the condition has a reasonable chance of being met or whether that person or the seller can influence the outcome of the condition. A person will cease to be interested in the shares on 15 April 2003 if the shareholders do not approve the resolution. That person must then file a notice stating that you ceased to be interested in 5% of the shares of the listed corporation.</p> <p>(B) Deemed interest in shares</p> <p>In calculating the total number of shares in which a person is interested, that person must include any interests, and derivative interests, in shares of the same listed corporation that any of the following persons and trusts have:</p> <ul style="list-style-type: none"> (i) A person’s spouse and any child of that person under the age of 18. For example, if a person holds 5% of the shares of a listed corporation and her husband holds 1% each of the person and the husband is deemed to be interested in 6%. If the husband then buys a further 1% both the person and the husband must file a notice as each of both are now interested in 7% of the shares of the listed corporation as a result of the purchase;

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	<p>that person is deemed to have an interest in that share.</p> <p>An interest in a share is not to be disregarded by reason only of –</p> <ul style="list-style-type: none"> (a) its remoteness; (b) the manner in which it arose; or (c) the fact that the exercise of a right conferred by the interest is, or is capable of being made, subject to restraint or restriction. 	<ul style="list-style-type: none"> (ii) A corporation which a person controls (a corporation is a “controlled corporation” if a person control, directly or indirectly, one-third or more of the voting power at general meetings of the corporation, or if the corporation or its directors are accustomed to act in accordance with your directions) including interests of a corporate fund manager that you control in the shares held by the various funds that it manages and interests of a corporate trustee or custodian that you control in the shares that it holds on trust or in custody (subject to certain exemptions which are covered in paragraph 2.12 below); (iii) A trust, if a person is a trustee of the trust (other than a trust where the person is a bare trustee i.e. where the person has no powers or duties except to transfer the shares according to the directions of the beneficial owner); (iv) A discretionary trust, if the person is the “founder” of the trust (e.g. the person had the trust set up or put assets into it – see paragraph 2.2.4), and can influence how the trustee exercises his discretion; (v) A trust of which the person is a beneficiary (discretionary interests may be ignored); (vi) All persons who have agreed to act in concert to acquire interests in shares in the listed corporation, if you are a party to the agreement (the rules are complicated and legal advice should be sought).

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		<p>A person must also count as his/her short position any short positions that such persons and trust have. This may create a short position (if the person does not have a short position already) or increase the size of the short position.</p> <p>(C) Derivative interests and underlying shares</p> <p>The term “equity derivatives” is given an extensive meaning in the Securities and Futures Ordinance in order to ensure that all interests and short positions in shares of a listed corporation are disclosed.</p> <p>Hence contracts or financial instruments such as those immediately below are covered by the term “equity derivatives” –</p> <ul style="list-style-type: none"> (i) warrants, callable bull bear contracts and other structured products; (ii) convertible bonds, exchangeable bonds and other equity linked instruments (equity linked deposits, funds, notes, certificates or other securities); (iii) American Depositary Receipts (“ADRs”) and Hong Kong Depositary Receipts (“HDRs”); (iv) stock options and stock futures; (v) over-the-counter (“OTC”) forwards, options or swaps; (vi) a derivative over another equity derivative; and (vii) credit derivatives that have reference obligations or deliverable obligations which are exchangeable or convertible bonds,

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		<p>regardless of whether they are physically settled, by delivery of the underlying shares, or cash settled. Depending on the particular derivative the person holds, the person may have rights to acquire shares, rights to require another person to buy shares, or a right to a sum of money depending on the price of certain shares.</p> <p>The term “underlying shares” is used in connection with “equity derivatives”, it refers:-</p> <ul style="list-style-type: none"> (i) in the case of physically settled equity derivatives, to the shares that may be delivered to a person, or by the person under the equity derivatives; or (ii) in the case of cash settled equity derivatives, of the shares by reference to the price or value of which, wholly or partly, the price or value of the equity derivatives is derived or determined.

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