CIRCULAR DATED 6 February 2024

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

If you are in any doubt about the contents of this Circular or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section titled "DEFINITIONS".

If you have sold or transferred all your ordinary shares (the "**Shares**") in the capital of Net Pacific Financial Holdings Limited (the "**Company**") held through The Central Depository (Pte) Limited (the "**CDP**"), you need not forward the Notice of the Extraordinary General Meeting ("**EGM**"), accompanying Proxy Form, and Request Form to the purchaser or transferee as arrangements will be made by CDP for a separate Notice of EGM, accompanying Proxy Form, and Request Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward the Notice of EGM, accompanying Proxy Form, and Request Form to the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. You should also inform the purchaser or transferee, or bank, stockbroker or agent through whom the sale or transfer was effect for onward notification to the purchaser, that this Circular, together with the Notice of EGM, accompanying Proxy Form, and Request Form are available on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the website of the Company at the URL https://www.netpac.com.sg/announcement-2024. In accordance with the Company's Constitution, a printed copy of this Circular will NOT be despatched to Shareholders.

This Circular has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay #10-00 Collyer Quay Centre Singapore 049318, sponsorship@ppcf.com.sg.

利通太平洋金融控股有限公司
Net Pacific Financial Holdings Limited

(Incorporated in Singapore on 9 January 2003)
(Company registration no. 200300326D)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

(1) THE PROPOSED JOINT VENTURE AND ACQUISITION OF 51% (INCLUDING BEN'S HOLDINGS VIA THE JV COMPANY) OF SAINT PEARL TRAVEL PRODUCTS (GUANGDONG) CO., LTD.; AND

(2) THE PROPOSED DIVERSIFICATION

IMPORTANT DATES AND TIMES:		
Last date and time for lodgement of proxy form	:	20 February 2024 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	23 February 2024 at 2.00 p.m.
Place of Extraordinary General Meeting	:	The Pavilion, KLOUD Keppel Bay Tower 1 HarbourFront Avenue Level 13 Keppel Bay Tower Singapore 098632

CONTENTS

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

General

"**Acquisition**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Act**"	:	The Companies Act 1967 of Singapore, as amended or modified from time to time or re-enactment thereof for the time being in force
"**Aggregated Transactions**"	:	Has the meaning ascribed to it in Section 3.5 of this Circular
"**associate**"	:	(a) in relation to any director, chief executive officer, 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; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) in relation to a substantial shareholder or controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of any 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% or more
"**associated company**"	:	As defined in the Catalist Rules, a company in which at least 20% but not more than 50% of its shares are held by the listed company or group
"**Board**"	:	The board of directors of the Company
"**Ben**"	:	Has the meaning ascribed to it at Section 2.1 of this Circular
"**Ben Shareholder's Loan 1**"	:	Has the meaning ascribed to it at Section 2.3.3 of this Circular
"**Ben Shareholder's Loan 2**"	:	Has the meaning ascribed to it at Section 2.3.3 of this Circular
"**Ben Shareholder's Loans**"	:	Has the meaning ascribed to it at Section 2.3.3 of this Circular
"**Catalist**"	:	The Catalist board of the SGX-ST
"**Catalist Rules**"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 6 February 2024 in relation to the Proposed Joint Venture and Acquisition, and Proposed Diversification

"**Company**" or "**NET**"	:	Net Pacific Financial Holdings Limited
"**Consideration**"	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
"**Constitution**"	:	The Constitution of the Company, as may be amended, supplemented or modified from time to time
"**controlling shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the company.
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**Due Diligence Investigations**"	:	Has the meaning ascribed to it in Section 2.5.2 of this Circular
"**EGM**"	:	The extraordinary general meeting of the Company to be convened at 2.00 p.m. on 23 February 2024
"**Entity at Risk**"	:	As defined in the Catalist Rules: (a) the Company; (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
"**EPS**"	:	Earnings per Share
"**Existing Business**"	:	Has the meaning ascribed to it in Section 3.2 of this Circular
"**Financing Business**"	:	Has the meaning ascribed to it in Section 2.2.1 of this Circular
"**First Major Transaction**"	:	Has the meaning ascribed to it in Section 3.5 of this Circular
"**FY**" or "**Financial Year**"	:	Financial year ended or ending 31 December (as the case may be)
"**GFE**"	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
"**Golf Acquisition Announcement**"	:	Has the meaning ascribed to it in Section 2.2.1 of this Circular
"**Golf Business**"	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
"**Group**"	:	The Company and its subsidiaries collectively
"**HKEX**"	:	Hong Kong Exchanges and Clearing Limited
"**HKSAR**"	:	Hong Kong Special Administrative Region of the People's Republic of China
"**Interested Person**"	:	As defined in the Catalist Rules: (a) a director, chief executive officer of the company, or

controlling shareholder; or

(b) an associate of any such director, chief executive officer, or controlling shareholder

"**IPT**"	:	A transaction between an Entity at Risk and an Interested Person
"**Jiangmen Limingzhu**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Joint Venture**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**JVA**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**JV Company**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Latest Practicable Date**"	:	25 January 2024, being the latest practicable date prior to the printing of this Circular
"**Li RD Undertakings**"	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
"**Li ZP Undertakings**"	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
"**Luggage Business**"	:	Has the meaning ascribed to it in Section 2.3.2 of this Circular
"**LPS**"	:	Loss per Share
"**Maturity Date**"	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
"**Mr Li RD**"	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
"**Mr Li ZP**"	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
"**NET Loan Interest**"	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
"**NET Shareholder's Loan 1**"	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
"**NET Shareholder's Loan 2**"	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
"**NET Shareholder's Loans**"	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
"**NET Shares**"	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
"**Notice of EGM**"	:	The notice which is set out on pages N-1 to N-4 of this Circular
"**NTA**"	:	Net tangible assets
"**Ordinary Resolution 1**"	:	The ordinary resolution to approve the Proposed Joint Venture and Acquisition
"**Ordinary Resolution 2**"	:	The ordinary resolution to approve the Proposed Diversification
"**Other Shareholders**"	:	Has the meaning ascribed to it in Section 2.3.6 of this Circular
"**PC**"	:	Has the meaning ascribed to it in Section 2.2.1 of this Circular
"**PP**"	:	Has the meaning ascribed to it in Section 2.2.1 of this Circular
"**PRC**"	:	The People's Republic of China, excluding the Hong Kong Special Administrative Region and Macau Special Administrative Region of the People's Republic of China and

		Taiwan)
"**Proposed Diversification**"	:	The proposed diversification into the Golf Business and Luggage Business
"**Proposed Joint Venture and Acquisition**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Proposed Resolutions**"	:	Has the meaning ascribed to it in Section 1of this Circular
"**Sale Shares**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
"**Self-constructed Buildings**"	:	Has the meaning ascribed to it in Section 3.8.3 of this Circular
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is the CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective securities accounts in the Depository Register maintained by CDP
"**Share(s)**"	:	Ordinary share(s) in the capital of the Company
"**SHA**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**STA**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Substantial Shareholder**"	:	A person who has an interest (directly or indirectly) in one (1) or more voting Shares and the total votes attaching to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
"**Target Company**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Valuation Report**"	:	The valuation report dated 2 February 2024 as prepared by the Valuer in relation to the Target Company and as set out in Appendix B to this Circular.
"**Valuer**"	:	Graval Consulting Limited, the independent valuer appointed by the Company in respect of the valuation of the 100% equity interest in the Target Company
"**WKY**"	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular

<u>Currencies, units and others</u>

"**HK$**"	:	HKSAR dollars, the lawful currency of the HKSAR
"**RMB**"	:	Renminbi, the lawful currency of the PRC
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore

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

The terms “**Depositor**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them in Section 81F of the Securities and Futures Act 2001. The term “**treasury shares**” shall have the meaning ascribed to it the Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Catalist Rules or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the said Act, the Catalist Rules or such statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of a day in the Circular is a reference to Singapore time unless otherwise stated.

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

Unless otherwise stated, the exchange rate of S$1.00 : HK$5.8343 and S$1.00 : RMB5.3447, obtained from the website of the Monetary Authority of Singapore as at the Latest Practicable Date shall be applied throughout this Circular.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Circular, statements made in press releases and oral statements that may be made by the Group, its directors, executive officers, employees or authorised persons acting on the Group's behalf that are not statements of historical fact, constitute "forward-looking statements". Some of these forward-looking statements can be identified by terms such as "expects", "believes", "plans", "intends", "estimates", "anticipates", "may", "will", "would" and "could" or similar words and phrases. However, it should be noted that these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements and other matters discussed in this Circular regarding matters that are not historical facts, are only predictions. These forward-looking statements reflect the Group's current views with respect to future events and are not guarantees of future performance. These statements are based on the Group's beliefs and assumptions, which in turn are based on currently available information. Although the Group believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be inaccurate. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's 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.

Given the risks and uncertainties that may cause the Group's actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Circular, Shareholders are cautioned to not place undue reliance on those statements which apply only as at the date of this Circular. Neither the Group nor any other person represents or warrants to you that the Group's actual future results, performance or achievements will be as discussed in those statements. These forward-looking statements are applicable only as at the date of this Circular. All forward-looking statements contained in this Circular are expressly qualified in their entirety by such factors. The Group's actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Group. Further, the Group disclaims 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 events occur in the future.

NET PACIFIC FINANCIAL HOLDINGS LIMITED
(Incorporated in Singapore on 9 January 2003)
(Company registration no. 200300326D)

Board of Directors:

Mr Chung Wai Man (Independent Non-Executive Chairman)
Mr Zhou Wen Jie (Non-Independent Non-Executive Director)
Mr Ong Chor Wei @ Alan Ong (Executive Director)
Mr Ben Lee (Non-Independent Non-Executive Director)
Mr Chin Fook Lai (Non-Independent Non-Executive Director)
Mr Tso Sze Wai (Lead Independent Non-Executive Director)
Mr Chak Chi Shing (Independent Non-Executive Director)
Ms Kwok Meei Ying, Monica (Independent Non-Executive Director)

Registered Office:

35 Selegie Road, #10-25,
Parklane Shopping Mall,
Singapore 188307

6 February 2024

To: The Shareholders of Net Pacific Financial Holdings Limited

Dear Sir/Madam,

(1) THE PROPOSED JOINT VENTURE AND ACQUISITION OF 51% (INCLUDING BEN'S HOLDINGS VIA THE JV COMPANY) OF SAINT PEARL TRAVEL PRODUCTS (GUANGDONG) CO., LTD.

(2) THE PROPOSED DIVERSIFICATION

1. INTRODUCTION

The Directors are convening the EGM to seek approval of Shareholders in relation to the Proposed Joint Venture and Acquisition and Proposed Diversification (collectively, the "**Proposed Resolutions**"). Notice of the EGM dated 6 February 2024 to Shareholders is set out on pages N-1 of this Circular.

The purpose of this Circular is to provide Shareholders with the rationale for and information relating to, and to seek the approval of Shareholders for the Proposed Resolutions to be tabled at the EGM. Shareholders should note that the Proposed Resolutions are inter-conditional. This means that if Ordinary Resolution 1 is not approved, Ordinary Resolution 2 will not be deemed to be duly passed, and vice versa.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular. If a Shareholder is in any doubt as to the action he/she should take, he/she should consult his/her stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. THE PROPOSED JOINT VENTURE AND ACQUISITION

2.1 Background

On 2 February 2024, the Company announced that it had entered into a joint venture agreement ("**JVA**") with Mr. Ben Lee ("**Ben**"), a Non-Independent Non-Executive Director of the Company ("**Joint Venture**"). Further to the JVA, a joint venture company, Net Industrial International Company Limited ("**JV Company**"), has been incorporated in the HKSAR. Pursuant to the JVA, the Company is the majority shareholder, holding 80% interest of the JV Company, while Ben, a Non-Executive Non-independent Director of the Company, will own the remaining 20%. It was also announced by the Company on the same day that the JV Company had entered into a share transfer agreement ("**STA**") to acquire Ben's 51% of the total issued and paid-up share capital ("**Sale Shares**") of Saint Pearl Travel Products (Guangdong) Co., Ltd. ("**Target Company**") ("**Acquisition**", together with the Joint Venture, the "**Proposed Joint Venture and Acquisition**"), currently a wholly-owned subsidiary of Jiangmen Limingzhu Technology Co., Ltd. ("**Jiangmen Limingzhu**"), a portion of which is held on trust for Ben. Please refer to paragraph 2.1.1 for more details. The JV Company has also entered into a shareholders' agreement ("**SHA**") on the same day with Jiangmen Limingzhu and the Target Company to give effect to the intentions of the JV Company and Jiangmen Limingzhu, and to record and regulate their rights and obligations *inter se* as shareholders of the Target Company in conduct of the business and affairs of the Target Company.

2.1.1 *Information on Target Company*

The Target Company is a limited liability company incorporated on 6 April 2023 in the PRC. Based on a company search of the Target Company on 25 January 2024, the Target Company has an issued and paid-up share capital of RMB 5,000,000.

As the Target Company was only incorporated in April 2023, no audited financial statements were made available to the Company. Notwithstanding this, based on the management accounts of the Target Company as at 30 September 2023:

(a) the working capital of the Target Company was approximately negative RMB4,379,000;

(b) the book value of the Sale Shares, representing in aggregate 51% of the total issued and paid-up share capital of the Target Company (including Ben's holdings in the Target Company via the JV Company), was approximately RMB1,382,000;

(c) the NTA value represented by the Sale Shares, representing in aggregate 51% of the total issued and paid-up share capital of the Target Company (including Ben's holdings in the Target Company via the JV Company), was approximately RMB1,382,000; and

(d) the net loss for the period from date of incorporation on 6 April 2023 to 30 September 2023 attributable to the Sale Shares, representing in aggregate 51% of the total issued and paid-up share capital of the Target Company (including Ben's holdings in the Target Company via the JV Company), was approximately RMB1,474,000.

The open market value of the Sale Shares is not available as the shares of the Target Company are not listed or traded on any securities exchange. For the purpose of the Acquisition, the Company commissioned the Valuer to assess and determine the market value of the 100% equity interest in the capital of the Target Company as at the valuation date of 30 June 2023. The Valuer has adopted the summation method under the cost approach to obtain the aggregate market value of the assets and liabilities of the Target Company. Under the summation method, each asset and liability of the Target Company is being valued using the cost approach, and the market value of the 100% equity interest in the capital of the Target Company is derived by adding the component assets and deducting the component liabilities. Please refer to the Valuation Report which is set out in Appendix B to this Circular for more details.

The Company has commissioned GFE Law Office ("**GFE**") to conduct legal due diligence on the Target Company. As at the date of this Circular, save for the following matters arising from the legal due diligence, nothing materially adverse has come to the attention of the Company.

(i) the Target Company had not made adequate contributions to social insurance and housing provident funds for its employees as required;

(ii) the Target Company had commenced production before completion of the environmental protection procedures as required;

(iii) the Target had not carried out the fire protection filing procedures required for its construction works;

(iv) the ownership of the temporary real estate (a temporary structure of total gross floor area of 1,584 square meters) within one of the three lease contracts is not clear. GFE had not been provided with any construction project planning permit or any other documents certifying the ownership of the said real estate for the temporary leased premises;

(v) the Target Company had not made the occupational disease hazard declaration as required;

(vi) the Target Company had not constructed occupational disease protection facilities as required;

(vii) the Target Company had constructed the Self-constructed Buildings (as defined below) without obtaining a construction project planning permit if required or carrying out the completion and acceptance procedure; and

(viii) the Target Company had not filed the three lease contracts with the relevant real estate authority as required.

The Board is of the view that the aforementioned issues arising from the legal due diligence will not affect operations. It is noted that one of the conditions precedent to the STA (as listed at Section 2.5.2 (d) of this Circular) is the rectification, or the procurement of such rectification, to the satisfaction of the Company by Jiangmen Limingzhu of all issues and irregularities uncovered by the Company during its due diligence investigations. In light of this, the Board is of the view that there is sufficient safeguard in that, in the event that this condition precedent is not fulfilled, the Company would have the option not to proceed with the Acquisition.

As at the Latest Practicable Date, the Target Company is 100%-owned by Jiangmen Limingzhu. However, further to an equity holding agreement dated 6 April 2023 entered between Ben and Jiangmen Limingzhu*,* Jiangmen Limingzhu is holding 51% shareholding interest of the Target Company for the benefit of Ben. Ben is currently the chairman of Wang Kei Yip Development Ltd. 宏基业发展有限公司 (“**WKY**”), a company principally involved in the business of scrap recycling, processing, production and sale of aluminum ingots. Ben is also a passive investor in other small businesses including the initial group of companies in relation to the business of sale of golf simulators and the operation of golf simulator venues (the “**Golf Business**”) which the Company has completed acquisition of on 1 December 2023, and the Target Company (prior to this Acquisition). As the chairman of WKY, he has to travel frequently and does not have time for the management of these passive investments and prefers these passive investments to be registered under third party registered owners for operational ease.

Jiangmen Limingzhu, established in 1993, is a luggage and leather goods manufacturer in Jiangmen City. It has become one of the prominent brands in the luggage and leather goods industry with its comprehensive range of products, advanced craftsmanship, and production equipment. Since its inception, Jiangmen Limingzhu provides a full set of travel product solutions for well-known domestic and foreign brands in the industry, such as Samsonite, French Ambassador, Japanese ACE, NIO, TESLA, etc., with its products targeting the global mainstream market. It also invests in research and development and production of various types of luggage including fabric luggage, business bags, casual bags, leather bags and other business travel products. Continuously exploring improvement in luggage production, it has more than 20 designer and development personnels, integrated worldwide design resources and collaborates with independent designers from Europe, Asia and a top domestic design university. Jiangmen Limingzhu commenced production of hard case travel products with the establishment of the Target Company on 6 April 2023. For more information on luggage production, please refer to Section 2.2.1.

The existing director of Jiangmen Limingzhu is Li Rongda (“**Mr Li RD**”) and he is primarily responsible for the day-to-day operation, strategic planning, major decision-making as well as development of the business and vision of Jiangmen Limingzhu. The existing supervisor is Mr Li Zhuping (“**Mr Li ZP**”) who is Mr Li RD’s uncle. Mr Li ZP is responsible for supervising and ensuring compliance of Jiangmen Limingzhu with local laws and regulations, as well as protecting the interests of Mr Li RD and Mr Li ZP as shareholders of Jiangmen Limingzhu. Mr Li ZP also helps to maintain the relationship with the local government officials.

The existing shareholders of Jiangmen Limingzhu are Mr Li RD and Mr Li ZP who each hold 50% of shareholding of Jiangmen Limingzhu. They have in aggregate more than 20 years' experience in the travel product solution business and have established good working relationships with well-known luggage brands in the world.

The principal activities of the Target Company are mainly hard case luggage manufacturing and sales in the Business-to-Business arena. Jiangmen Limingzhu focuses on the production and sale of soft case luggage while the Target Company focuses on the production and sale of hard case luggage, for internationally known brands. As such, while Jiangmen Limingzhu and the Target Company serve the same customers and/or target customer clusters, the Board is of the view that there is no competition given that their respective products are clearly demarcated. In any event and to avoid possible conflict of interest, the Company has procured letters of undertaking from the shareholders of Jiangmen Limingzhu. The letter of undertaking from Mr Li RD, a 50% shareholder of Jiangmen Limingzhu, sets out that:

A. save for the first twelve (12) months from the date of the Li RD Undertakings (as defined and further elaborated below) or until such time when the Target Company attains the necessary quality recognition and certifications including ISO1400 and ISO9100 issued by the International Organization for Standardization required by customers to accept orders directly from them, whichever is the later, he shall not and will procure his Associates (as defined below) not to (without the prior written consent of the Company) directly or indirectly, carry on or be engaged in or concerned with or interested economically or otherwise in any manner whatsoever in such Luggage Business (as defined below) that may compete with the Group (please see below for the reason for the minimal 12-month carve-out);

B. in respect of existing common customers between the Target Company and Jiangmen Limingzhu, Mr Li RD shall and will procure that his Associates shall place the interest of the Group above their own personal interests and shall not, without the prior written consent of the Company, directly or indirectly, take any action which will adversely affect or prejudice the interest of the Group; and

C. in respect of any new potential customers or orders in the future which fall within the business scope of the Group, Mr Li RD shall and will procure that his Associates will refer such potential customers or orders to the Group. In this regard, Mr Li RD will, and will procure his Associates to, immediately notify the Group of any such business opportunity, and if directed to do so by the board of directors of the Company, will assist the Group to secure such business opportunity on terms acceptable to the Group.

(collectively, "**Li RD Undertakings**")

With respect to Li RD Undertakings, "**Associates**" means:

1. Mr. Li RD's spouse, child, adopted child, step-child, sibling and parent, but, for the avoidance of doubt, does not include Mr Li RD's uncle, Mr Li ZP;

2. the trustees of any trust of which Mr Li RD or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

3. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

The Li RD Undertakings shall be effective for so long as the Company remains listed on the Catalist, Mr Li RD and/or any of his Associates remain a director and/or a controlling shareholder of the Target Company, or Mr Li RD and/or any of his Associates remain as a director and/or a controlling shareholder of Jiangmen Limingzhu.

The Company has also procured a letter of undertaking from Mr Li ZP, a 50% shareholder of Jiangmen Limingzhu, that:

A. save for the first twelve (12) months from the date of the Li ZP Undertakings (as defined and further elaborated below) or until such time when the Target Company attains the necessary quality recognition and certifications, including ISO1400 and ISO9100 issued by the International Organization for Standardization required by customers to accept orders directly from them, whichever is the later, he shall not and will procure his Associates (as defined below) not to (without the prior written consent of the Company) directly or indirectly, carry on or be engaged in or concerned with or interested economically or otherwise in any manner whatsoever in such Luggage Business (as defined below) that may compete with the Group;

B. in respect of existing common customers between the Target Company and Jiangmen Limingzhu, Mr Li ZP shall and will procure that his Associates shall place the interest of the Group above their own personal interests and shall not, without the prior written consent of the Company, directly or indirectly, take any action which will adversely affect or prejudice the interest of the Group; and

C. in respect of any new potential customers or orders in the future which falls within the business scope of the Group, Mr Li ZP shall and will procure that his Associates will refer such potential customers or orders to the Group. In this regard, Mr Li ZP will, and will procure his Associates to, immediately notify the Group of any such business opportunity, and if directed to do so by the board of directors of the Company, will assist the Group to secure such business opportunity on terms acceptable to the Group.

(collectively, "**Li ZP Undertakings**")

With respect to Li ZP Undertakings, "**Associates**" means:

1. Mr. Li ZP's spouse, child, adopted child, step-child, sibling and parent, but, for the avoidance of doubt, does not include Mr Li ZP's nephew, Mr Li RD;

2. the trustees of any trust of which Mr Li ZP or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

3. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

The Li ZP Undertakings shall be effective for so long as the Company remains listed on the Catalist, Mr Li ZP and/or any of his Associates remain a director and/or a controlling shareholder of the Target Company, or Mr Li ZP and/or any of his Associates remain as a director and/or a controlling shareholder of Jiangmen Limingzhu.

The Target Company is a newly-incorporated company at its infant stage of operations. It does not have sufficient qualification and experience to be included in the supplier list of international market players in the luggage industry. As Jiangmen Limingzhu is a more established company as compared to the Target Company, in the initial stages of the Joint Venture and as a temporary start-up arrangement for minimal first twelve (12) months from the date of the Li RD Undertakings and Li ZP Undertakings or until such time when the Target Company attains the necessary quality certifications including ISO1400 and ISO9100 issued by the International Organization for Standardization required by customers to accept orders directly from them, orders for hard case luggage may be obtained through Jiangmen Limingzhu but such orders will be sub-contracted (based on apportion rates as disclosed below) to the Target Company. In light of the above, there is a carve out of a minimal twelve (12) months period in relation to the Li RD Undertakings and Li ZP Undertakings.

Currently, the Target Company has the following transitional arrangement in relation to apportion rate with Jiangmen Limingzhu:

(1) Sale of hard case luggage to an unspecified local brand A

Of the gross sale price of each hard case luggage sold by the Target Company to local brand A, the Target Company will apportion 3 – 10% of the invoice to Jiangmen Limingzhu depending on the product specification of the type of hard case luggage produced. This is to cover the administrative and marketing costs incurred by Jiangmen Limingzhu to arrange for the export of the various hard case luggage and the maintenance of relationship with the local brand A. To the best of the Board's knowledge based on sub-contract arrangement of JMLMZ with its sub-contractors, as well as from the Board's understanding from fellow market players, the usual market rate for such sub-contracting arrangements in the PRC is at least 10% of the gross sale price.

(2) Purchase of specific materials from Jiangmen Limingzhu for the production of hard case luggage to an unspecified international brand B

In relation to the sale of hard case luggage to international brand B, as the Target Company is not a certified supplier of international brand B, it is unable to source for the required specific materials for the production of the hard case luggage for international brand B given that such specific materials are only sold to certified suppliers. Therefore, the Target Company would purchase the specific materials at cost price quoted by third parties certified suppliers, through Jiangmen Limingzhu. To the best of the Board's knowledge, such arrangements are common practice for sub-contracting arrangements in the PRC.

(3) Sale of hard case luggage to an unspecified international brand B

Following from (2) above, the Target Company will source for additional materials for the production of hard case luggage to be sold by Jiangmen Limingzhu to international brand B via the interim sub-contracting arrangement with Jiangmen Limingzhu, including but not limited to fabric for lining of the hard case luggage, and provision of labour to process the semi-finished products. Thereafter, the Target Company would charge Jiangmen Limingzhu for the aggregate of materials, and labour costs, including the specific materials mentioned in (2) above. In addition, the Target Company will add on processing fees of RMB30 – 34 per hard case luggage and charge the said processing fees to Jiangmen Limingzhu ("**Processing Fees**"). To the best of the Board's knowledge, the said processing fees is above the prevailing market rate (the "**Premium**") for such sub-contracting arrangements in the PRC which is below RMB30. Jiangmen Limingzhu, as the 49% interest shareholder of the Target Company, is of the opinion that the Premium would be able to give the Target Company a better headstart in terms of revenue, and ensuring a higher chance of a successful transition of the Luggage Business to the joint venture with the JV Company. Nonetheless, the Processing Fees and its accompanying Premium will be mutually reviewed by Jiangmen Limingzhu and the Company regularly.

The Board believes that the above transitional arrangements are considered necessary and vital to the Target Company at this initial stage of its operations and would enable the Target Company to increase its operational efficiency to minimise the occurrence of idling of facilities. Moreover, the transitional arrangements will provide the Target Company's production team the opportunity to train and establish a production process to be certified and recognised as a qualified supplier for international brands in the luggage industry.

2.1.2 *Information on Jiangmen Limingzhu and Ben*

The Target Company is currently 100%-owned by Jiangmen Limingzhu. However, further to an equity holding agreement, Jiangmen Limingzhu is holding 51% shareholding interest of the Target Company for the benefit of Ben for the reasons as set out in the Section 2.1.1 of this Circular.

As set out in Section 2.1.3 of this Circular, Ben is a Non-Independent Non-Executive director and a controlling shareholder of the Company, with a deemed 22.83% shareholding interest in the Company as at the Latest Practicable Date. Save as disclosed in Section 2.1.3 of this Circular, Ben is not related to the directors, substantial shareholders of the Company, or their respective associates.

More information on Jiangmen Limingzhu has been set out at Section 2.1.1 of this Circular.

2.1.3 *Information on Ben*

Ben is a Non-Independent Non-Executive director and a controlling shareholder of the Company, with a deemed 22.83% shareholding interest in the Company as at the Latest Practicable Date.

Ben is deemed interested in the shares held by his wife, Zhou Dan, who is the sister of Zhou Wen Jie, another Non-Independent Non-Executive director and a controlling shareholder of the Company. For ease of reference, the shareholdings in the Company of Zhou Wen Jie, Zhou Dan and Ben are set out below:

	Direct Interest	**Deemed Interest**	**Total**	**%**
Zhou Wen Jie	119,750,600	-	119,750,600	22.78%
Zhou Dan	120,000,000		120,000,000	22.83%
Ben	-	120,000,000	-	22.83%

Save as disclosed above, Ben is not related to the directors, substantial shareholders of the Company, or their respective associates.

2.2 Rationale of the Proposed Joint Venture and Acquisition, and entry into the interested person transaction

2.2.1 *Rationale for Proposed Joint Venture and Acquisition*

The Company is an investment company that specializes in providing financing services to small and medium-size companies mainly in PRC and HKSAR, which includes the provision of working capital financing, asset-backed loans, mezzanine loans and investment in companies with good fundamentals and growth potential (the "**Financing Business**"). The Company's holdings in the existing subsidiaries are part of the Financing Business via its investments of funding into these subsidiaries.

The Board has consistently been on the lookout for investment opportunities to increase the revenue and profit base of the Group and to diversify its business so as to boost growth and to enhance shareholder value. The Board holds the view that acquiring a controlling stake in an operating business would offer greater potential for growth as there is a possibility for higher returns on funding as compared to the existing Financing Business due to the ability to leverage on the operating business for additional funding from financial institutions. To further elaborate, obtaining bank loans for operating businesses, as opposed to for the Financing Business, is comparatively easier since the turnover and total assets of the operating business are recorded in the books of the Company. The ability to secure additional funds through bank loans results in more working capital for the Company, thereby potentially enhancing returns for both the Company and its shareholders.

As announced on 26 September 2023, the Group had on 25 September 2023 entered into a sale and purchase agreement with Ben to acquire 100% of the total issued and paid-up share capital of Ben Sports and Management Limited and its subsidiaries to diversify and engage in the Golf Business in the PRC (the "**Golf Acquisition Announcement**").

The Board is of the view that the Company's entry into the Joint Venture is also in line with its strategy to acquire and have a controlling stake in operating businesses to build up and diversify its revenue streams. The travel product solution business was chosen as the business model is feasible and scalable and with potential for growth, given that more people, both in PRC and worldwide, are expected to travel given that COVID-19 has been treated as endemic. Furthermore, the Target Company has an existing experienced and credible management team who are familiar with the travel product solution business. In addition, the Board is of the opinion that the Proposed Joint Venture and Acquisition would be beneficial to the Company as (a) the Company, through the JV Company, will be obtaining a controlling stake in the Target Company; (b) Ben is willing to provide an undertaking to the Company for the purposes of safeguarding the Group's interest earnings from the investment, further details of which are set out in Section 2.3.3 of this Circular; and (c) the Company will be acquiring the Target Company at cost of investment by the original shareholders, based on 51% of the unaudited net tangible asset value of the Target Company as at 30 June 2023, which is supported by the Valuation Report. The funding for the acquisition of the Target Company will be through internal financial resources.

Despite the unaudited NTA of the Target Company decreased from RMB5,307,000 as at 30 June 2023 to RMB2,709,000 as at 30 September 2023, the Board is of the opinion that Acquisition remains beneficial to the Group as the decrease in the NTA was mainly due to the costs of testing and calibrating new production lines, which include labour, materials and sample production incurred during trial runs of the production lines. As the Target Company is still in its start-up stage and continues to expand production capacity, these costs are deemed as foreseeable and inevitable for new players in manufacturing industry.

The Board is of the view that the entry into the Joint Venture to eventually acquire the Target Company will provide the Group with yet another new revenue stream after the acquisition of the Golf Business, and accordingly, believes that the Joint Venture is in the best interests of the Company, without which the Company would not have access to this investment opportunity.

The core of Jiangmen Limingzhu's business is the manufacturing and sale of soft case travel products such as soft suitcases and hand luggage. Soft case travel products usually use cloth or nylon materials and are mainly cut and assembled by manual hand-made processes. This makes soft case travel products lighter on average than travel products that are made of other materials. In addition, it is easier to integrate more functions for soft case travel products such as additional external bags and other expansion capabilities. The production facilities requirement for the manufacturing of soft case products are also much lower than those for travel products made of other materials. In this regard, the market entry barrier is also low and the business of soft case travel products is largely labour-intensive, and the technical requirements for manual craftsmanship are relatively less significant.

As set out in Section 2.3.2, the Target Company's core business is the manufacturing and sale of hard case travel products such as hard case luggage. Hard case travel products can be made of a variety of different materials, such as low-cost polypropylene ("**PP**"), lighter but more expensive polycarbonate ("**PC**"), and even some reinforced composite layers that have both high strength and lightweight properties. Customers generally have strict technical requirements for manufacturing materials and product specifications. Therefore, a considerable amount of capital investment in resources and production facilities is required for each stage of production from research, product design and development, production and quality control. The typical production cycle involves melting machines, three-dimensional (3D) printing machines, computer aided design (CAD) software and hardware supporting equipment, plastic injection molding machines, luggage panels and stamping production lines, as well as product testing equipment, amongst others. The production facilities and technical requirements for manufacturing hard case travel products are much higher than those for soft travel products. Accordingly, the market entry barrier is also higher. In this regard, the business of hard case travel products is capital-intensive and requires a much higher amount of capital investment to build up automatic mechanised production lines.

Due to the fundamental differences in the manufacturing processes, techniques and requirements for production facilities between hard case and soft case travel products, the production of these two products is not interchangeable. The production plant of Jiangmen Limingzhu is unable to fulfil the purchase orders of hard case travel products, and vice versa. Therefore, a new investment in the Target Company is required to enter the market for hard case travel products.

Ben and Mr Li RD met through business associates about five (5) years ago and have always been on look out for business opportunities together. Ben and Mr Li RD had visited multiple local and overseas expositions to meet industry players, suppliers, customers and other vendors to understand the industry trend and market demand for hard cases, as well as met with existing and potential customers to understand their interests and explore business opportunities in hard cases for more than 2 years. From their findings, Ben and Mr Li RD are optimistic about the development prospects of hard case travel products. As such, they set up the Target Company on 6 April 2023 for the purpose of entry into the hard case travel products market. As mentioned earlier, 51% of the shareholdings in the Target Company was held by Jiangmen Limingzhu on behalf of Ben. At the same time, Ben introduced the Target Company to the Company, with the view that the Target Company could assist the Company to achieve its objective to increase revenue streams through diversification. Moreover, the Acquisition would put into good use the Company's idle internal financial resources. It was decided that the investment in the Target Company shall be done in the form of the Joint Venture to take advantage of the strength of Li RD and Ben in management and production experience, and sales network respectively, and to share resources, expertise, business opportunities and risk.

Further to the Joint Venture arrangement, the effective beneficial interest of the Company in the Target Company is only 40.8%, being 80% of the 51% interest in the Target Company held via the JV Company. Despite this, the Company is able to exercise significant control over the Target Company given that it is a 80% shareholder of the JV Company. The Board is of the view that the business risks under the Joint Venture arrangement are acceptable taking into consideration the effective control the Company would have over the Target Company via the JV Company, coupled with undertakings by Ben as further elaborated in Section 2.3.3.

The Company has sought legal advice from GFE on the validity and legality of the Proposed Joint Venture and Acquisition. As at the date of the announcement, GFE is of the opinion that the structure of the Proposed Joint Venture and Acquisition does not violate the applicable PRC laws; and GFE is not aware of any legal impediments for the Company to distribute its dividends, if any, to Shareholders of the Company from the Target Company under the PRC Laws upon completion of the Proposed Joint Venture and Acquisition.

In addition, after reviewing relevant documents and financial information for the financial period ended 31 December 2022 and 30 September 2023 provided by the Company and the Target Company respectively, GFE is of the view that the Proposed Joint Venture and Acquisition would not result in the Company simultaneously meeting the two conditions set out in Circular 43 which would result in the Proposed Joint Venture and Acquisition being characterised as an indirect overseas offering and listing of a PRC domestic company. Therefore, the Company shall not be subject to the filing requirements under Circular 43. Circular 43 refers to 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) released by the China Securities Regulatory Commission (中国证券监督管理委员会) (“**CSRC**”) on 17 February 2023, as well as the six supporting guidelines, which took effect from 31 March 2023 and 16 May 2023. Notwithstanding the above, as Circular 43 was only issued recently, the Board is of the view that, there is no assurance that any new rules or guidance relating to Circular 43 promulgated in the future would not impose requirements on the Company, nor is there assurance that CSRC or other government authorities will not recognise the Proposed Joint Venture and Acquisition as an indirect overseas listing, and require or notify the Company to go through filing procedures according to the Circular 43.

As at the date of this Circular, GFE has confirmed that there have been no changes in interpretation, and/or additional requirements which will be imposed on the Company with respect to Circular 43 in the foreseeable future based on the financial information GFE currently obtained , other than as disclosed above. In the event that there are such changes and/or additional requirements, the Board will address them as and when they arise, and if material, will promptly inform shareholders via an announcement on SGXNET.

2.2.2 *Rationale for the Proposed IPT with Ben*

Over the past two and a half years, the Board has reviewed not less than ten (10) business proposals and all were deemed unsuitable investments/acquisitions. In deciding which business proposal(s) to proceed with, the Board considered various factors including, the risk of business, control over the business, cost involved in setting up and engaging in the business, experience of the incumbent management team of the business to be acquired (where they form part of the business to be acquired), and whether it is a scalable business model. Based on the Board’s review and evaluation, the proposed acquisition of 51% of the Luggage Business (as defined below) from Ben, despite being an IPT, is in the best interest of the Company, having considered the above-mentioned consideration factors, as well as reasons detailed in this Section 2.2.

The Company had also decided to proceed with the IPT with Ben as Ben’s participation in the JV Company and Target Company would be valuable as he has practical understanding and knowledge of the market and business operations of the luggage industry. More details are set out in Section 2.3.4 of the Circular.

2.3 Principal terms of the JVA

2.3.1 *Share capital of the JV Company*

The JV Company has been incorporated in the HKSAR with an issued and paid-up share capital of HK$1,000 comprising 1,000 Shares. The shareholding structure of the JV Company will be as follows:

Party	**Number of shares in the JV Company**	**Paid-up share capital (HK$)**	**% of interest in the JV Company**
The Company	800	800	80%
Ben	200	200	20%
Total	**1,000**	**1,000**	**100%**

2.3.2 *Business of the JV Company*

The business of the JV Company ("**Luggage Business**") following its acquisition of the Target Company shall be the following:

(a) the research, design, production and sales of travel hard cases made from PP, PC, and other innovative materials, providing comprehensive travel product solutions;

(b) the research, design, production and sales of PP, PC, and other new material travel hard cases, providing a complete set of travel product solutions to internationally known luggage brands through intermediaries both domestically in the PRC and internationally; and

(c) the investment into companies that carry out the activities as set out under the (a) and (b).

2.3.3 *Further Financing and Funding*

In the event any additional financing is required by the JV Company, such financing shall be met through the provision of banking or credit facilities to the JV Company from such financial institutions as the board of directors of the JV Company may from time to time agree; or subject to the consent of the relevant shareholder(s) of the JV Company, provision of advance loans by the shareholder(s) to the JV Company on such terms as may be agreed between the relevant shareholder(s) and the JV Company, in compliance with relevant Catalist Rules, including Catalist Rule 916, at all times.

Notwithstanding the foregoing, for the furtherance of the Luggage Business, the Company and Ben shall each provide funding to the JV Company as follows:

Consideration for the Acquisition

(a) The Company and Ben agree that of the consideration of RMB 2,706,000 ("**Consideration**") required for the Acquisition, NET shall provide a shareholder's loan of RMB 2,165,000 (the "**NET Shareholder's Loan 1**") and Ben shall provide a shareholder's loan of RMB 541,000 (the "**Ben Shareholder's Loan 1**"). Please refer to Section 2.5.1 of the Circular for details on how the Consideration amount was reached;

General funding

(b) The Company and Ben agree that the Company shall provide shareholder's loans of up to RMB 13,339,000 (the "**NET Shareholder's Loan 2**", together with Net Shareholder's Loan 1, "**NET Shareholder's Loans**") and Ben shall provide shareholder's loan of up to RMB

3,335,000 (the "**Ben Shareholder's Loan 2**", together with Ben Shareholder's Loan 1, "**Ben Shareholder's Loans**") to the JV Company for the furtherance of the Luggage Business.

In arriving at the amount for the NET Shareholder's Loan 2 and Ben Shareholder's Loan 2, the factors considered included the business plan and working capital required in setting up new production lines and expansion plans over the next 2 to 3 years.

Interest

(c) Interest on each tranche of the NET Shareholder's Loans and Ben Shareholder's Loans shall be calculated from, and including, the date of disbursement at the rate of 8% per annum, payable yearlyin arrears by the date falling sixty (60) days from the date such interest is accrued. Notwithstanding this, the Company and Ben reserves the right to alter or change the interest rate of the NET Shareholder's Loans and Ben Shareholder's Loans concurrently at their joint discretion.

The right to alter or change the interest rate is to allow for flexibility in anticipation of interest rates movement going forward. The rate of 8% was arrived at after considering the following factors: (i) the current base interest rate of 12% for existing loans under the Financing Business; (ii) the prevailing interest rates in the market in the range of 5% and 36% for varying loan durations, quantum, security and creditability of borrowers and (iii) the additional benefits of acquiring the equity interest in the Target Company (as elaborated in Section 2.2.1) apart from the interest payable from the NET Shareholder's Loans;

Repayment

(d) The JV Company shall repay the Company and Ben the principal amount of the NET Shareholders Loans and Ben Shareholders Loans together with all other sums due or payable under the JVA on the date falling two (2) years from the date of disbursement of the initial tranche of the NET Shareholder's Loans and Ben Shareholder's Loans (the "**Maturity Date**"). Notwithstanding this, the Company and Ben reserves the right to alter the Maturity Date at their joint discretion;

At the time of this Circular, the intention is for the Company and Ben to extend the Maturity Date indefinitely unless there are exceptional issues with the Target Company such as bad results implying that the business is no longer viable. In which case, the Company will cease to extend the Maturity Date and would also require Ben to purchase the Company's NET Shares (as defined below) pursuant to the undertaking provided by Ben as set out in Section 2.3.3(f) (if applicable), which would result in divestment.

Undertaking by Ben

(e) Ben hereby undertakes that in the event the JV Company fails to repay, in whole or any part thereof, the interest payable on the relevant tranche of the NET Shareholder's Loans ("**NET Loan Interest**"), Ben shall be responsible for such NET Loan Interest due but not having been paid by the JV Company, and shall make payment of such NET Loan Interest to the Company. Such NET Loan Interest shall be payable in RMB or HKD equivalent and in cash to the Company within two (2) months of the relevant NET Loan Interest being due.

(f) In addition to (e) above, Ben hereby undertakes that in the event the Company (at its sole discretion) requires Ben to purchase the Company's interest in the JV Company (the "**NET Shares**") from the Company, Ben shall acquire the NET Shares from the Company within three (3) to six (6) months, for an amount equivalent to the NET Shareholder's Loans which has been disbursed, subject to compliance with applicable Catalist Rules, and such amount shall be payable in RMB or HKD equivalent and in cash to the Company. This sub-section (f) shall only apply during the period commencing from the date of the JVA and ending on the date falling on the fifth anniversary of the date of the JVA.

For the avoidance of doubt, any funding to be provided by the Company and Ben to the JV Company as may be agreed between the Company and Ben in writing from time to time, as and when so provided, shall be provided by the Company and Ben in proportion to their respective shareholdings in the JV Company and on the same terms. Subject to the above, the NET

Shareholder's Loans and Ben Shareholder's Loans may be provided by the Company or Ben (as applicable) in separate tranches PROVIDED THAT each tranche of the NET Shareholder's Loans and Ben Shareholder's Loans shall be provided in proportion to their respective shareholdings in the Company.

2.3.4 *Board of Directors and Management of the JV Company*

In line with the JVA, the board of directors of the JV Company shall be:

(a) Ong Chor Wei @ Alan Ong, Executive Director of the Company;
(b) Ben; and
(c) Chan Chun Kit.

Besides being appointed as a director of the JV Company, Ben will also be appointed as a director of the Target Company. The Board is of the view that Ben's participation on the Board of JV Company and Target Company is in the best interest of the Company as (i) his interests will be in line with the Group given that he, through his spouse, is a controlling shareholder of the Company and he is providing several undertakings as disclosed under 2.3.3 (e) and (f); (ii) Ben has acquired the best understanding of the market and operations of the Luggage business as prior to his involvement in the Target Company, Ben had already been engaging with Mr Li RD in discussions on the market environment and has been conducting business feasibility of hard case travel products for more than 2 (two) years. As such, Ben had obtained an overall understanding of the market. Ben and Mr Li RD had visited multiple local and overseas expositions to meet industry players, suppliers, customers and other vendors for business development purposes and also met with potential customers and other vendors to secure sales orders by Target Company. Following from the above, Ben's participation in the JV Company and Target Company would be valuable as he has practical understanding and knowledge of the market and business operations of the luggage industry.

While Ben is the Chairman of WKY, the Board understands that Ben is interested in the luggage industry and believes in its potential and is willing to devote more time to the Joint Venture as compared to his other ventures. Furthermore, even though he will be a director of the JV Company and the Target Company, he would not be involved in the day-to-day management of the JV Company and Target Company. In addition, there are other directors on the board of directors of the JV Company and the Target Company to ensure optimal and impartial board decisions are made. Given the experience of the existing management team of the Target Company, it is envisaged that Ben, despite his other business commitments, would be able to undertake his responsibilities as a director of the JV Company and the Target Company.

The JV Company's board shall have overall oversight of its business, but the day-to-day administration and/or management of the JV Company will be vested in the incumbent management and other professional managers to be recruited as and when needed, who shall at all times be responsible and subject to the oversight of the board of the JV Company.

Mr Chan Chun Kit, who was introduced to the Company by Ben who met him in 2021 for a potential engagement on a business deal with WKY, is a certified public accountant with over 16 years' experience in financial reporting, financial management, corporate governance and audit in several SGX-ST-listed companies and professional firm. Currently, he is a corporate financial consultant for various HKSAR, PRC and overseas listed and private companies. He has been appointed as the financial consultant of the Group since November 2023 with the work scope of providing financial and accounting consultancy service, particularly for the ongoing and potential establishment and acquisition of subsidiaries and/or target companies based in PRC. Between 2011 to 2018, he was the Chief Financial Officer and company secretary of China Flexible Packaging Holdings Limited (listed on SGX-ST until 2017). Prior to these roles and positions, he had worked at an international audit firm, BDO Limited in Hong Kong from 2007 to 2011 as an auditor.

Mr Chan Chun Kit had previously served as an Independent Non-Executive Director for various listed companies including (i) GS Holdings Limited (listed on SGX-ST) from 2019 to 2022 (ii) Universe Printshop Holdings Limited (listed on the HKEX) from 2017 to 2022 (iii) Raffles Financial Group Limited (listed on the Canadian Securities Exchange) from 2020 to 2021 (iv) Shenzhen

Mingwah Aohan High Technology Corporation Limited (listed on HKEX) from 2020 to 2021 (v) Hua Han Health Industry Holdings Limited (listed on HKEX) from 2017 to 2018.

Mr Chan Chun Kit is a member of the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Governance Professional and Chartered Company Secretary, as well as a member of The Hong Kong Chartered Governance Institute. He graduated from the Hong Kong Polytechnic University with a Master's Degree in Corporate Governance and a Bachelor Degree in Accountancy.

Overall, the appointment of Mr Chan Chun Kit as a director of the JV Company would bring financial expertise, risk management capabilities, compliance knowledge, and strategic insights to the JV Company. His involvement would contribute to sound financial management, effective governance, and informed decision-making, ultimately benefiting the Company's financial performance and long-term sustainability. Accordingly, Mr Chan Chun Kit's appointment as a director of the JV Company would be beneficial to the Company and is in the best interest of the Company.

To the best of the knowledge of the Directors, save as disclosed above, Mr Chan does not have any other relationships (including business relationships) with the Company, the Group, the directors, substantial shareholders of the Company, or their respective associates.

2.3.5 *Conditions Precedent*

Pursuant to the JVA, the obligations of the parties under Section 2.3.1 and Section 2.3.3 of this Circular are subject to and conditional upon fulfillment of the following:

(a) all necessary approvals, consents and/or waivers as may be necessary from its board of directors and/or shareholders (if applicable) for the transactions contemplated under Section 2.3.1 and Section 2.3.3 of this Circular, being granted or obtained by the relevant party(ies), and being in full force and effect and not having been withdrawn, suspended, amended or revoked so as to affect the completion of the transactions contemplated under Section 2.3.1 and Section 2.3.3 of this Circular;

(b) all necessary approvals, consents and/or waivers as may be necessary from any third party, governmental or regulatory body or relevant competent authority for the transactions contemplated under Section 2.3.1 and Section 2.3.3 of this Circular, being granted or obtained by the relevant party(ies), and being in full force and effect and not having been withdrawn, suspended, amended or revoked so as to affect the completion of the transactions contemplated under Section 2.3.1 and Section 2.3.3 of this Circular; and

(c) the execution and performance of the transactions contemplated under Section 2.3.1 and Section 2.3.3 of this Circular by the parties not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority.

2.3.6 *Transfer of shares*

Further to the JVA, all sale, transfer or disposal by a shareholder of the JV Company of its shares shall comply with the provisions as set out below.

Each Transferor shall give to the JV Company and the other shareholders ("**Other Shareholders**") a Transfer Notice, which shall specify the following:

(a) date of despatch of the Transfer Notice;

(b) Transfer Shares;

(c) Transfer Price;

(d) any other terms and conditions of such sale (if any); and

(e) the identity and background of the Third Party Purchaser.

The Transfer Notice shall constitute the JV Company as the Transferor's agent for the sale of all the Transfer Shares during the Period and shall not be revocable except with the Board's unanimous consent.

Upon receipt of the Transfer Notice, the JV Company shall forthwith by notice in writing inform the Other Shareholders, of the number of the Transfer Shares and the Transfer Price and invite Other Shareholders to apply in writing to the JV Company within fourteen (14) days of the date of dispatch of the notice, for such maximum number of the Transfer Shares (being all or any thereof) as it shall specify in such application.

If an Other Shareholder shall within the period of fourteen (14) days as set out above apply for all or any of the Transfer Shares, the directors of the JV Company shall allocate the said shares to such Other Shareholder and the JV Company shall forthwith give an Allocation Notice to the Transferor and to the Other Shareholder and shall specify in such Allocation Notice the place and time (being not earlier than three (3) days and not later than seven (7) days after the date of the Allocation Notice) at which the sale of the Transfer Shares so allocated shall be completed. Where more than one (1) Other Shareholder applies for all or any of the Transfer Shares, the directors of the JV Company shall allocate said shares to such Other Shareholder(s) as nearly as possible on a pro rata basis based on their existing shareholding proportion in the JV Company.

The Transferor shall be bound to transfer the Transfer Shares comprised in an Allocation Notice to the Other Shareholder(s) at the time and place therein specified and, if he shall fail to do so, the chairman of the board of the JV Company or some other person appointed by the directors of the JV Company shall be deemed to have been appointed attorney of the Transferor with full power to execute, complete and deliver, in the name and on behalf of the Transferor, transfers of the Transfer Shares to the Other Shareholder(s) against payment of the Transfer Price.

If the Other Shareholder does not accept the offer referred to above in respect of all the Transfer Shares or if not all of the Transfer Shares are agreed to be taken up within thirty (30) days after the Transfer Notice is served on the JV Company, the Transferor may after the Period be at liberty to sell all (and not part only) of the remaining Transfer Shares to the aforesaid Third Party Purchaser, provided always that:

(i) the price at which such Third Party Purchaser buys the remaining Transfer Shares shall not be below the Transfer Price and shall be on terms no more favourable than those specified in the Transfer Notice; and

(ii) the Transferor shall remain and continue to be liable and be responsible for the discharge, observance and performance of all his liabilities and obligations, whether actual or contingent, arising out of or in connection with the JVA at any time up to and including the date of the transfer of the Transfer Shares and shall remain entitled to all accrued rights and benefits arising out of or in connection with the Transfer Shares.

In the event the Transfer Shares are not sold by the Transferor to the Third Party Purchaser within sixty (60) days of the date of the Transfer Notice, any subsequent sale or disposal of the Transfer Shares shall need to comply with the provisions hereinbefore set out.

Unless otherwise agreed by the shareholders of the JV Company, it shall be a condition precedent to the right of any Transferor to transfer shares that the transferee (if not already bound by the provisions of the JVA) executes a deed of ratification and accession, substantially in the form set out in Schedule A of the JVA, under which the transferee shall agree to be bound by the obligations and shall be entitled to the benefit of the JVA as if it is an original party hereto in place of the Transferor.

Notwithstanding anything contained in the JVA, a shareholder of the JV Company may freely transfer the entire legal and beneficial interest in all (and not part only) of the shares held by such shareholder if the Third Party Purchaser is an Affiliate of such shareholder, in which event, that shareholder shall remain party to the JVA as a guarantor of the obligations of such subsidiary and provided that the legal and beneficial interest in all shares which are transferred by a shareholder to a Third Party Purchaser pursuant to this paragraph shall be transferred back to such shareholder in the event that such Third Party Purchaser ceases to be an Affiliate of such shareholder.

For the purposes of this Section 2.3.6,

"**Affiliate**" means, in relation to any person (other than a natural person), any entity Controlled, through ownership of voting stock or otherwise, directly or indirectly, by that person, any entity that Controls, directly or indirectly, that person, or any entity under common Control with that person or, in the case of a natural person, any relative (i.e., parents, spouse and children) of such natural person;

"**Allocation Notice**" means the notice given on allocations;

"**Other Shareholders**" means other Shareholders other than the Transferor;

"**Period**" means the period of thirty (30) days from the date of the Transfer Notice;

"**Third Party Purchaser**" means the third party that the Transferor proposes to transfer its shares to;

"**Transferor**" means each shareholder who desires to transfer any or all of its shares;

"**Transfer Notice**" means a notice in writing;

"**Transfer Price**" means the price for the sale of such Transfer Shares to be set by the Transferor;

"**Transfer Shares**" means the number of shares proposed to be sold and transferred;

2.3.7 *Termination*

The JVA shall continue in force without limit in point of time until terminated in accordance with the JVA or by agreement of the parties in writing. The JVA shall terminate forthwith and cease to be applicable to the parties if the JV Company is put into liquidation, whether voluntary or compulsory.

2.4 Rule 1013(1) of the Catalist Rules

The Board (excluding Ben and Zhou Wen Jie), is of the opinion that the undertaking by Ben as set out in Section 2.3.3(e) of this Circular does not constitute a profit guarantee falling under CR1013 as the Group is in the Financing Business in the PRC, and HKSAR, and its proportionate investment in the JV Company, and in turn in the Target Company form part and parcel of its ordinary course of business. Instead, the undertaking by Ben is a guarantee in relation to the receipt of the NET Loan Interest. The Board would like to present the following:

2.4.1 *Views of the Directors* (excluding Ben and Zhou Wen Jie) *in accepting the guarantee in relation to the NET Loan Interest and the factors taken into consideration and basis for such a view*

The Board (excluding Ben and Zhou Wen Jie) is of the view that the guarantee in relation to the NET Loan Interest is reasonable and helps to safeguard the interests of the Company and the Shareholders, having taken into account, *inter alia*, the following factors:

(a) it will ensure that the Company would be paid back the NET Loan Interest; and

(b) following a review of Ben's net asset statement, Ben has sufficient assets to guarantee the NET Loan Interest.

2.4.2 *Principal assumptions including commercial bases and assumptions upon which the guarantee in relation to the NET Loan Interest is based*

The principal assumptions, including commercial bases upon which the quantum of the guarantee in relation to the NET Loan Interest is based, would include, *inter alia*, the following:

(a) the Company has conducted title searches and other due diligence checks on Ben's net asset statement in verification of the same;

(b) there will be no material change in Ben's net assets from date from which the guarantee in relation to the NET Loan Interest is given until the next annual review of Ben's net asset statement;

(c) there will be no material changes in existing political, legal (including changes in legislation or regulations or rules), fiscal, market or economic conditions in the countries in which Ben's assets are which would adversely affect his ability to guarantee the NET Loan Interest.

2.4.3 *Manner and amount of compensation by Ben*

As set out in Section 2.3.3(f), Ben undertakes that in the event that the Company (at its sole discretion) requires Ben to purchase the NET Shares from the Company, Ben shall acquire the NET Shares from the Company within three (3) to six (6) months, for an amount equivalent to the NET Shareholder's Loans which has been disbursed, subject to compliance with applicable Catalist Rules, and such amount shall be payable in RMB or HKD equivalent and in cash to the Company. This compensation shall only apply during the period commencing from the date of the JVA and ending on the date falling on the fifth anniversary of the date of the JVA.

2.4.4 *Safeguards put in place in the event that the guarantee in relation to the NET Loan Interest and Net Shares is not met*

The Board (excluding Ben and Zhou Wen Jie) is of the view that as at the date of this Circular, Ben has sufficient assets to guarantee the NET Loan Interest and the Net Shares.

The Company has conducted title searches and other due diligence checks on Ben's net asset statement in verification of the same. The Company will also conduct annual review of Ben's net asset statement and carry out the necessary due diligence checks.

2.5 Principal Terms of the STA

2.5.1 *Consideration*

In accordance with the STA, the Consideration payable by the JV Company for the Acquisition is approximately RMB 2,706,000. The Consideration was arrived at original cost of investment based on 51% of the unaudited NTA of the Target Company as at 30 June 2023 which is supported by the Valuation Report.

The unaudited NTA of the Target Company as at 30 September 2023 is RMB2,709,000, which is lower than the unaudited NTA of RMB5,307,000 as at 30 June 2023. The lower NTA as at 30 September 2023 was mainly due to the losses incurred during the start-up stage of the Target Company. These are mainly costs of testing and calibrating new production lines, which include labour, materials and sample production incurred during trial runs of the production lines. As mentioned under Section 2.1.1., the Target Company is a newly-incorporated company at its infant stage of operations undergoing testing of new production lines and trial runs for new products and training of production team. The Board has anticipated such expenses to be incurred at the start-up stage, which is not expected to have long term nor material impact on the valuation of the business.

Based on the Company's effective equity control of 40.8% in the Target Company, the change in NTA between the two periods amounted to RMB1,060,000 (equivalent to approximately S$198,000). Having considered various factors such as the original cost of investment, valuation of the Sale Shares based on the Valuation Report and earnings and growth prospects of Target Company having regard to its portfolio of existing and potential customers of international brands, the Board is of the view that the Consideration, as supported by the Valuation Report based on the valuation date of 30 June 2023 is justifiable.

2.5.2 *Conditions Precedent*

The obligations of the parties under the STA are conditional upon, and completion shall not take place until all of the following conditions precedent have been fulfilled:

(a) the Company obtaining such approvals, consents and/or waivers from its Board, its shareholders and/or the SGX-ST (and any other regulatory authority) in connection with the STA and the transactions contemplated therein, as may be necessary;

(b) the Company being satisfied, in its absolute discretion, with the results of the due diligence (including but not limited to legal, financial, contractual, tax or otherwise) as may be carried out by the JV Company and/or its advisers on the Target Company ("**Due Diligence Investigations**");

(c) Jiangmen Limingzhu having procured the completion of the transfer of equity, in compliance with all applicable laws and regulations, and in such manner reasonably satisfactory to the JV Company and the Company;

(d) the rectification, or the procurement of such rectification, to the satisfaction of the Company by Jiangmen Limingzhu of all issues and irregularities uncovered by the Company during its Due Diligence Investigations on the Target Company which are capable of rectification, unless waived by the Company in its absolute discretion. For the avoidance of doubt, the failure of Jiangmen Limingzhu to rectify any issue or irregularity shall be considered a material breach of this condition precedent on the part of Jiangmen Limingzhu which is not capable of remedy;

(e) Jiangmen Limingzhu's statements, warranties and disclosures remain true, accurate, and not misleading, with no omissions. There have been no circumstances that would cause Jiangmen Limingzhu to breach its warranties or any provisions of the STA;

(f) each of the warranties and undertakings remaining true and not misleading in any respect as at the Completion Date (as defined below), as if repeated on the Completion Date and at all times between the date of the STA and the Completion Date;

(g) there being no material adverse change, or events, acts or omissions since the date of the STA likely to lead to a material adverse change, in the business, performance, operations, assets and liabilities, financial condition and/or prospects of the Target Company;

(h) all approvals, consents and/or waivers as may be necessary from any third party, governmental or regulatory body or relevant competent authority for the transactions contemplated under the STA, being granted or obtained by Jiangmen Limingzhu and/or the Target Company, and being in full force and effect and not having been withdrawn, suspended, amended or revoked before the Completion Date, and if such approvals, consents and/or waivers are granted or obtained subject to any condition(s), such condition(s) being acceptable to the JV Company and if such condition(s) are required to be fulfilled before the Completion Date, such condition(s) being fulfilled before the Completion Date; and

(i) there are no foreseeable circumstances that may cause the execution and performance of the STA by the JV Company and Jiangmen Limingzhu being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority from the date of the STA to the Completion Date.

2.5.3 *Completion*

Completion date refers to the 30th business day after the satisfaction or waiver (if permitted) of all the conditions precedent, or any other date as mutually agreed upon in writing ("**Completion Date**").

2.5.4 *Termination*

If either party fails to fulfill its obligations under the STA or seriously violates the provisions of the STA, resulting in the inability to complete the STA, it shall be considered as a unilateral termination of the agreement by the defaulting party. The non-defaulting party has the right to claim damages from the defaulting party and has the right to terminate the STA in accordance with the provisions of the STA.

2.6 Salient terms of the SHA

The SHA contains *inter alia* customary provisions relating to the management and governance of the Target Company. Pursuant to the SHA:

(a) Unless otherwise agreed by the shareholders in writing, the number of directors shall be three (3) and the JV Company shall be entitled (but not obligated) to appoint two (2) directors to the board ("**JV Company Directors**" and each, a "**JV Company Director**") while Jiangmen Limingzhu shall be entitled (but not obligated) to appoint one (1) director;

(b) Subject to the Constitution of the Target Company and applicable laws and regulations, a resolution in writing signed by a majority of the board shall be valid and effectual as if it had been passed at a meeting of the board duly convened and held, provided that all resolutions in writing must be provided to every director prior to the passing of such resolution. Any such resolution may consists of several documents in like form, each signed by one (1) or more of the directors; and

(c) Subject always to the shareholders reserved matters and applicable laws and regulations, a resolution in writing signed by shareholders holding a majority of the shares for the time being in the capital of the Target Company shall be valid and effectual as if it had been passed at a meeting of the shareholders duly convened and held, provided that all resolutions in writing must be provided to every shareholder prior to the passing of such resolution. Any such resolution may consist of several documents in like form, each signed by one or more of the shareholders.

With respect to Section 2.6(a), the directors nominated by the JV Company are Mr Zhou Lichang and Ben while the director nominated by Jiangmen Limingzhu is Mr Li RD.

Mr Zhou Lichang is a friend of Ben and Ben has known Mr Zhou Lichang for approximately ten years. Mr Zhou Lichang has over 22 years of experience in production management, marketing and sales in the field of manufacturing of toys and mechanical parts in the PRC. He is currently the sales manager of Jiangmen Huari Motorcycle Parts Co. and is responsible for the marketing and promoting of the company's products, expanding and developing the company's customer base, customer relationship, tracking customer needs and coordinating customer feedback, and assisting the general manger in formulating company development plans, operational plans, business development plans, organising and coordinating the implementation of various plans, and analysing market information for insights and summaries. Between 2005 and 2010, Mr Zhou Lichang was with Jiangmen Yongshun Advertising Company as a team supervisor and was responsible for managing and leading a team of advertising professionals, project coordination, performance monitoring and client communication. Between 2002 and 2004, Mr Zhou Lichang was with Zhongshan Yufu Toys Factory as a unit leader responsible for production management, quality control, resource management, safety and compliance.

As a PRC citizen, Mr Zhou Lichang has both marketing and selling capabilities as well as relevant exposure in the local manufacturing environment. The Target Company can benefit from his operational experience, understanding of industry and technology trends, knowledge of industry best practices and lean manufacturing principles, local regulatory compliance knowledge, marketing skills and business connections. Accordingly, Mr Zhou's appointment as a director of the Target Company would ultimately be beneficial to the Company and is in the best interest of the Company.

To the best of the knowledge of the Directors, save as disclosed above, Mr Zhou Lichang does not have any other relationships (including business relationships) with the Company, the Group, the directors, substantial shareholders of the Company, or their respective associates.

2.7 The Proposed Joint Venture and Acquisition as an Interested Person Transaction

As Ben is a Non-Independent Non-Executive director and a controlling shareholder of the Company, Ben is an "interested person" for the purposes of Chapter 9 of the Catalist Rules and the Joint Venture is an "interested person transaction" under Chapter 9 of the Catalist Rules.

Under Chapter 9 of the Catalist Rules, shareholders' approval is required for an IPT of a value equal to, or exceeding, 5% of the Group's latest audited NTA.

Under Rule 909(2) of the Catalist Rules, in the case of a joint venture, the value of the transaction includes the equity participation, shareholder's loans and guarantees given by the entity at risk. In this regard, the Company's equity participation in the JV Company is HK$800. At the time of the Acquisition, the "entity at risk" would be the JV Company and accordingly, the Consideration is included in the computation as set out below:

	Amount in RMB	**Amount in HK$[(2)]**
IPT for the Proposed Joint Venture and Acquisition		
Equity participation in the JV Company[(1)]	733	800
Consideration for the Acquisition (this amount includes the entire Consideration)	2,706,000	2,954,000
Total	2,706,733	2,954,800
*For prudency, in addition to the above, the aggregate amount of IPTs for the Group with Ben and his associates for the financial year ended 31 December 2023 and up to the date of this Circular i.e. including the acquisition of Ben Sports and Management Limited as per the Company's announcement dated 25 September 2023 ("**Ben Sports Acquisition**"), is presented as follows:*		
Consideration for Ben Sports Acquisition	-	100,000
Asset Purchase Price	558,364	609,510
Total	558,364	709.510
Grand total IPT	3,264,804	3,664,310

Notes:

(1) Equity participation the JV Company is in HK$. RMB equivalent converted based on exchange rate under footnote (2) for comparison purposes only.

(2) Converted to HK$ based on the exchange rate of HK$1 : RMB0.9161, as at 25 January 2024 obtained from the website of the Monetary Authority of Singapore as at the Latest Practicable Date.

As at the date of the JVA, the Group's latest audited NTA as at 31 December 2022 is HK$97,594,000.

As the value of the Proposed Joint Venture and Acquisition of HK$2,954,800 against the Group's latest audited NTA of HK$97,594,000 is approximately 3.03%, shareholders' approval will not be required pursuant to Chapter 9 of the Catalist Rules.

For completeness, the aggregate value of IPTs entered into by the Group with Ben and his associates for the financial year ended 31 December 2023 and up to the date of this Circular i.e. including the equity participation in the JV Company, Consideration and Ben Sports Acquisition is approximately HK$3,664,310, representing approximately 3.76% of the Group's latest audited NTA as at 31 December 2022 of approximately HK$97,594,000.

For good corporate governance, both Ben and Zhou Wen Jie (i.e., the brother-in-law of Ben) have abstained from making any deliberation/recommendation on or approving any matters in connection with the Proposed Joint Venture and Acquisition. Further, both Ben and Zhou Wen Jie shall (i) abstain from voting at the EGM in relation to the Proposed Joint Venture and Acquisition, and the Proposed Diversification; and (ii) ensure that their associates abstain from voting on the same at the EGM.

Save for the Joint Venture, the Acquisition, Ben Sports Acquisition (Ben Sports Acquisition being a transaction that took place in the previous financial year) and Ben's undertaking in relation to the Ben Sports Acquisition as announced by the Company on 31 January 2024, there are no IPTs between Ben and his associates, and the Company in the financial year ended 31 December 2023 up to the date of this Circular.

2.8 Statement by Audit Committee

The members of the Audit Committee are considered independent for the purposes of the Proposed Joint Venture and Acquisition. The Audit Committee having considered, inter alia, the rationale and information relating to the Proposed Joint Venture and Acquisition is of the view that the Proposed Joint Venture and Acquisition is on normal commercial terms, the risks and rewards of the Joint Venture are in proportion to the equity of each Joint Venture partners and the terms of the JVA are not prejudicial to the interests of the Company and its minority shareholders.

2.9 Relative figures computed on the bases set out in Rule 1006 of the Catalist Rules

The relative figures with respect to the (a) Proposed Joint Venture and Acquisition and (b) Proposed Joint Venture and Acquisition, and Ben Sports Acquisition on the bases set out in Rule 1006 of the Catalist Rules:

Rule 1006	Bases	Relative Figures taking into account the Proposed Joint Venture and Acquisition (%)	Relative Figures taking into account the Proposed Joint Venture and Acquisition, and Ben Sports Acquisition (%)
(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value	Not applicable[(1)]	Not applicable[(1)]
(b)	The net profits/loss attributable to the assets acquired or disposed compared with the Group's consolidated net profits/loss	63.67 [(2)]	64.25 [(2)]
(c)	The aggregate value of the consideration given, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	44.73 [(3)]	65.31 [(3)]
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared	Not applicable[(4)]	Not applicable[(4)]

	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	Not applicable[5]	Not applicable[5]

Notes:

(1) Rule 1006(a) is not applicable to an acquisition of assets.

(2) "Net profit/(loss)" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests for the latest announced consolidated accounts for the period ended 30 September 2023.

The Target Company reported a loss of HK$3,156,000 (approximately RMB2,891,000) for the period from date of incorporation on 6 April 2023 to 30 September 2023. As the loss incurred is for six months period, the loss presented in the above computation has been extrapolated to reflect a loss of HK$4,734,000 (approximately RMB4,337,000) for nine months period ended 30 September 2023 to be compared against the latest announced consolidated accounts of the Group for period ended 30 September 2023. Profit test is arrived based on the Company's 51% share (including Ben's holding via the JV Company) of loss of HK$2,414,000 (approximately RMB2,212,000).

The presentation is solely for illustration purposes as the Target Company is in the early stages of setting up.

(3) Based on the equity participation in the JV Company of HK$1,000, the Consideration for the Acquisition of RMB2,706,000 (including Ben Shareholder's Loan 1 to the JV Company), the provision of financial assistance of RMB16,674,000 (in the form of NET Shareholder's Loan 2 and Ben Shareholder's Loan 2 under Section 2.3.3 (b)) and the market capitalisation of the Company being S$8,108,000 equivalent to HK$47,304,,000 as of 25 January 2024 which was determined by multiplying the number of shares in issue (525,630,328 ordinary shares) by the Hong Kong dollar equivalent (based on the SGD: HK$ exchange rate of S$1 : HK$ 5.8343 of the weighted average price of S$0.015425 on 17 January 2024, being the market day immediately preceding the date of the JVA and STA in which the shares of the Company were traded.

(4) Rule 1006(d) is not applicable as no equity securities will be issued by the Company in connection with the Joint Venture and Acquisition.

(5) Rule 1006(e) is not applicable as the Company is not a mineral, oil and gas company.

As each of the relative figures computed under Rules 1006(b) and (c) of the Catalist Rules exceeds 5% but is less than 75%, the Proposed Joint Venture and Acquisition constitutes a "disclosable transaction" under Rule 1010 of the Catalist Rules. However, in calculating the relative figure under Rule 1006(b), negative figures were involved. As both the net asset value of the asset to be acquired and the Company is loss making, paragraphs 4.3(a) and 4.4(a) of Practice Note 10A have been taken into consideration. Given that the absolute relative figure computed on the basis of Rule 1006(c) is more than 5% and the net loss of the asset to be acquired is more than 5% of the consolidated net loss of the Company, the transaction would not fall under paragraph 4.3(a). While the absolute relative figure computer on the basis of Rule 1006(c) does not exceed 75%, the net loss of the asset to be acquired is more than 10% of the consolidated net loss of the Company, thus the transaction would not fall under paragraph 4.4(a). In this regard, further to paragraph 4.6 of Practice Note 10A, Catalist Rule 1014 shall apply to the Proposed Joint Venture and Acquisition. Accordingly, the Proposed Joint Venture and Acquisition is subject to the approval of the Shareholders at the EGM.

2.10 Financial effects

The financial effects are presented for illustrative purposes only and are not intended to reflect the actual future financial performance and position of the Company or the Group after the relevant transactions.

The financial effects have been prepared based on the latest audited consolidated financial statements of the Group for FY2022 and based on, *inter alia*, the following assumptions:

(a) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Joint Venture and Acquisition was completed on 31 December 2022;

(b) the financial effects for FY2022 on the on the EPS / LPS of the Group are computed assuming that the Proposed Joint Venture and Acquisition was completed on 1 January 2022; and

(c) the costs and expenses in connection with the Proposed Joint Venture and Acquisition shall be disregarded in view of their immateriality.

2.10.1 *Financial effects on the NTA per share of the Group*

	Before the Proposed Joint Venture and Acquisition	**After the Proposed Joint Venture and Acquisition**	**After the Proposed Joint Venture and Acquisition, and taking into account Ben Sports Acquisition**
NTA as at 31 December 2022 (HK$ '000)	97,594	95,019(1)	94,997
Number of shares in the Company, excluding treasury shares and subsidiary holdings	525,630,328	525,630,328	525,630,328
NTA per Share (HK$ cents)	18.57	18.08	18.07

Notes:

(1) The Target Company reported a loss of HK$3,156,000 (approximately RMB2,891,000) for the period from the date of incorporation on 6 April 2023 to 30 September 2023. As the loss incurred is for a six months' period, the loss presented in the above computation has been extrapolated to reflect a loss of HK$6,312,000 (approximately RMB5,782,000) (i.e. for FY2023). The effects on the NTA as at 31 December 2022 shown above is based on HK$2,575,000 (approximately RMB2,359,000) being the Company's effective 40.8% of the Target Company's extrapolated loss for FY2023.

2.10.2 *Financial effects on the EPS / (LPS) of the Group*

	Before the Proposed Joint Venture and Acquisition	**After the Proposed Joint Venture and Acquisition**	**After the Proposed Joint Venture and Acquisition, and taking into account Ben Sports Acquisition**

Net loss for FY2022 (HK$ '000)	(3,522)	(6,097)(1)	(6,119)
Weighted average number of shares in the Company, excluding treasury shares and subsidiary holdings	525,630,328	525,630,328	525,630,328
LPS of the Group (HK$ cents)	(0.67)	(1.16)	(1.16)

Notes:

(1) The Target Company reported a loss of HK$3,156,000 (approximately RMB2,891,000) for the period from the date of incorporation on 6 April 2023 to 30 September 2023. As the loss incurred is for a six months period, the loss presented in the above computation has been extrapolated to reflect a loss of HK$6,311,000 (approximately RMB5,782,000) (i.e. for FY2023). The effects on the net loss for FY2022 is based on HK$2,575,000 (approximately RMB2,359,000) being the Company's effective 40.8% interest of the Target Company's extrapolated loss for FY2023.

2.11 Interests of Directors and Controlling Shareholders

Ben, a Non-Independent Non-Executive Director and a controlling shareholder of the Company via his spouse, Zhou Dan's holdings in the Company, is the joint venture partner of the JV Company and is the party from whom the Company acquired the 51% interest (including Ben's interest via the JV Company) in the Target Company. Zhou Wen Jie, another Non-Independent Non-Executive Director of the Company and another controlling shareholder of the Company, is Ben's brother-in-law.

Save as disclosed above and at Section 4 of this Circular, none of the Company's directors or controlling shareholders or their associates has any interest, direct or indirect, in the Proposed Joint Venture and Acquisition, other than through their respective shareholdings in the Company.

2.12 Service Contract

No new directors are proposed to be appointed to the Board in connection with the Proposed Joint Venture and Acquisition. As such, no service agreements will be entered into with any new director of the Company in connection with the Proposed Joint Venture and Acquisition.

2.13 Group Structure after the Proposed Joint Venture and Acquisition

Following the Proposed Joint Venture and Acquisition, the Group structure would be as set out in Appendix A.

3. PROPOSED DIVERSIFICATION

3.1 Introduction

Upon the completion of the Acquisition, the Target Company will become a subsidiary of the Company (given that Company will have control over the Luggage Business) and the business of the Target Company will form part of the business of the Group. In addition, the Target Company is presently an asset which is loss-making and is in a net liability position. As a result, the existing risk profile of the Group might change and thus, Shareholders' approval is required.

3.2 Existing Business of the Group

The Group is an investment company that specialises in providing financing services and access to capital for small and medium-sized companies in the PRC, and HKSAR. The Group's current business involves the Financing Business (the "**Existing Business**"). In addition, the Group also operates the Golf Business following its acquisition as announced on 26 September 2023.

As part of the Board's ongoing corporate strategy to build up and diversify its revenue streams, the Company is and has been seeking and exploring opportunities in other businesses with good prospects for growth in the long run. In adopting a diversification approach in its long-term growth strategy, the Board seeks to sustain and enhance Shareholders' value and returns.

The Group is proposing to carry on with the Existing Business while expanding its existing business with the Proposed Diversification, as elaborated below.

3.3 Proposed Diversification

3.3.1 *Golf Business*

As set out in the Golf Acquisition Announcement, in terms of the risk profile, the Board is of the opinion that the Golf Business does not change the risk profile of the Group and does not amount to a diversification as the consideration of HK$100,000 for the acquisition of 100% of the total issued and paid-up share capital of Ben Sports and Management Limited is not significant in comparison with the market capitalisation of the Company. Furthermore, given that the said consideration and the asset purchase price of RMB558,364 to acquire certain inventory and fixed assets has been funded through the Group's internal resources, no new liabilities have been incurred. The Board also noted that the acquisition of Ben Sports and Management Limited will not cause a reduction in the Company's net profits or net asset value. In addition, given that the Group has current exposure to the PRC and HKSAR markets via its Financing Business, the Board is of the view that the Company would not be exposed to any significant new risks.

Notwithstanding the above, in anticipation of the growing contribution of the Golf Business towards the Group's profitability and revenue, and the possibility of new risks emerging due to the growth in the operation of the Golf Business (including through establishing new venues, acquisitions, partnerships or joint ventures), the Company is seeking Shareholders' approval for the diversification of its business to include the Golf Business.

3.3.2 *Luggage Business*

Subject to Shareholders' approval being obtained at the EGM in relation to the Proposed Joint Venture and Acquisition, the Group intends to extend its core business to include the Luggage Business. This would involve a change in the existing business scope and risk profile of the Group. Accordingly, the Company is seeking Shareholders' approval for the diversification of its business to include that of the Luggage Business.

The Group does not intend to restrict the Luggage Business to a specific geographical market. However, at the Latest Practicable Date, the Group's intention is for the Luggage Business to primarily focus on the Chinese market with its main customers being distributors and brand owners and sales based on back-to-back transactions. At the opportune time, the Group will consider joint ventures, partnerships, cooperation and/or strategic alliances with the relevant parties who have the required experience and resources to carry out the Luggage Business. Prior to making such a decision, the Board will consider the nature and scale of the respective business, amount of investment required, risks, nature of expertise and economic conditions, and take into account other opportunities that are available to the Group.

3.4 Rationale for the Proposed Diversification

3.4.1 *Reduced reliance on Existing Business*

The Proposed Diversification would help to reduce the Group's reliance on the Existing Business and provide a more diversified portfolio of business and income base for future growth. The Proposed Diversification would also tap into the large domestic consumer market in the PRC.

As the Golf Business is a scalable business model, the Board is of the view that it would value add to the Group through contribution of revenue and potentially turnaround the Group. In relation to the Luggage Business, following the recovery of tourism and travel after COVID-19, the expansion into the Luggage Business is a timely one which also provides opportunities to grow the business within and beyond the PRC. The Proposed Diversification enables the Group to be flexible in seeking out and capturing opportunities as and when they arise, and to be adaptable to the fluidity of the current global economic outlook.

3.4.2 *Flexibility to enter into transactions relating to the Golf Business and Luggage Business*

Upon Shareholders' approval of the Proposed Diversification, the Group may, in the ordinary course of business, enter into transactions with respect to the Golf Business and Luggage Business without having to seek shareholders' approval. Time and cost would be saved in this regard and the Group will have greater flexibility to pursue business opportunities in the Golf Business and Luggage Business in a timely manner.

3.4.3 *Enhance Shareholders' value*

The Proposed Diversification could provide the Group with more revenue and funds which can be channelled towards the enhancement of shareholder value in the long run. By opening the Group to new business opportunities and revenue streams, the Proposed Diversification would enhance Shareholders' value for the Company.

3.5 Requirements under the Catalist Rules

In accordance with SGX-ST's recommended practice in relation to diversification of business, if an issuer has not operated in a new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first Major Transaction involving the new business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval. For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained:

(a) where an acquisition of assets (whether or not the acquisition is deemed in the ordinary course of business of the Company) is one where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules is 100% or more, or is one which will result in the change of control of the Company whether or not in the Company's ordinary course of business (which will include Luggage Business and the Golf Business), the transaction is classified as a very substantial acquisition or reverse takeover and would be subject to Rule 1015 of the Catalist Rules and would be subject to approval of Shareholders at a general meeting;

(b) Practice Note 10A of the Catalist Rules will apply and Shareholders' approval would be required for any transaction (which falls within the definition as set out in Rule 1002(1) of the Catalist Rules) which changes the risk profile of the Company;

(c) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval at a general meeting, if applicable; and

(d) where any transaction constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such a transaction and the Company will comply with the provisions of Chapter 9 of the Catalist Rules.

Rule 1005 of the Catalist Rules states that "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".

The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

3.6 Management of the Golf Business and Luggage Business

3.6.1 *Golf Business*

Ben, a Non-Independent Non-Executive Director of the Company, is currently overseeing the business of Ben Sports and Management Limited.

The day-to-day operations of Ben Sports and Management Limited will continue to be managed by its current management. The current management has experience and knowledge in running golf-related operations including golf coaching, training centre, brand marketing and planning.

Mr Chen Zhiqiang, General Manager, is the overall in charge for the development of the golf simulator market and the operations of the golf simulator venues. With more than 9 years of experience in golf academy operations and management, he possesses unique marketing strategies and planning skills, as well as the ability to build and develop the team. Mr Chen Zhiqiang is the former co-founder of Mina Kaiwei Golf Academy, which specializes in youth golf coaching and provides training for youth coaches and marketing personnel.

Mr Huang Jianle, Head of Brand and Marketing, is responsible for brand marketing. Mr Huang Jianle has more than 13 years of marketing planning, project initiation and management, and brand planning experience. He is the former co-founder of Guangzhou Gottis Information Technology Co Ltd, a domestic professional golf teaching media platform, and is also the former brand director of Yi Jianlian Basketball Training Center under the Xinhuo Camp Culture, Sports and Education Group.

Mr Zhang Bingwei, Market Planning, Operation and Administration Officer, is responsible for market planning and administration. With more than 8 years of experience in internet marketing, online full-stack operation, and e-commerce platform operation, Mr Zhang Bingwei is the former head of operations of Guangzhou Gottis Information Technology Co Ltd, a domestic professional golf teaching media platform and is also the former head of operations of Yi Jianlian Basketball Training Center under the Xinhuo Camp Culture, Sports and Education Group.

Ms Zhang Qiuling, Head of Finance, is responsible for the overall financial and accounting functions. Ms Zhang Qiuling has more than 18 years of financial work experience. Ms. Zhang Qiuling was the financial manager in companies in different fields including trade, media, e-commerce and tourism, including Guangzhou Dongshang Cartoon Products Co., Ltd., Guangzhou Gottis Information Technology Co., Ltd. and Guangzhou Xinyouhui International Travel Agency Co., Ltd. Ms. Zhang Qiuling is proficient in the management of company funds, internal controls and tax assessment. Ms. Zhang Qiuling graduated from university with an accounting major.

The Company will monitor and appoint additional personnel with the relevant expertise for the Golf Business as and when the need arises.

3.6.2 *Luggage Business*

It is currently envisaged that the Luggage Business will be initially spearheaded by Ben and Mr Ong Chor Wei @ Alan Ong, Executive Officer of the Company, and will be supported by Mr Chan Chun Kit who will be appointed as a director of the JV Company and Mr Zhou Lichang who will be appointed as director of the Target Company. Please refer to Section 2.3.4 for more information on Mr Chan Chun Kit and Section 2.6 for more information on Mr Zhou Lichang).

Following the completion of the Acquisition, the day-to-day operations of the Target Company will continue to be managed by its current management. The Target Company’s management team is equipped with the relevant expertise to manage the Luggage Business. Further information on the Target Company’s current management team is as follows:

Mr Wang Houming, Sales Director, is mainly responsible for leading and managing the sales team, formulating sales strategies and plans, and is also responsible for the development and management of domestic and international product sales processes, customer channels, supply chains, new brands and new products. Mr. Huang Houming has 15 years of experience in the travel supplies and boutique e-commerce industry. He has served as the export business manager and general manager of the domestic sales and e-commerce division of Zhengxiong Luggage Co., Ltd. Mr. Huang Houming graduated from Sun Yat-sen University and completed a master's degree in business administration.

Ms Zhao Huiling, Sales Manager, is primarily responsible for achieving sales goals, driving business growth and building effective customer relationships. Ms. Zhao Huiling has more than 20 years of experience in marketing luggage and bags. Subsequent to her graduation from university, she has been engaged in the sales of luggage and bags at Jiangmen Limingzhu . She was also responsible for managing sales matters and connecting with Jiangmen Limingzhu’s major customers, such as Samsonite (a global travel luggage brand from the United States), Delsey (one of the famous luggage brands from Paris, France), ACE (one of the famous luggage brands in Japan), amongst others. Ms. Zhao Huiling graduated from Guangzhou Institute of Foreign Economics and completed a college degree in foreign languages and foreign trade.

Mr Chen Weiye, Development Department Supervisor, is mainly responsible for the design and development of luggage and bags, supervising the company's product structure development and design projects, from material selection, mold design, process formulation, product debugging, cost control, quality control testing, amongst others, to continuous product improvement. Mr. Chen Weiye has 20 years of experience in the design and development of injection molded products. His industry experience covers the luggage industry, home appliance industry, health equipment, toy industry, auto parts industry, amongst others. He worked in a Japanese-funded company, Citizen Fine Technology (Jiangmen) Co., Ltd. for 7 years and has also worked as a technical engineer and engineer in many domestic manufacturers, including Guangdong Kaiping Paige Hengchang Kitchenware Industrial Co., Ltd., Dongguan Tangxia Yonghui Plastic Products Factory, and Jiangmen Baoli Technology Co., Ltd. Mr. Chen Weiye graduated from Wuyi University and completed a bachelor's degree in mechanical and electrical engineering and automation.

Mr Wang Zhiyong, Manufacturing Center Manager, is mainly responsible for the formulation and scheduling of production plans, production team management, quality control and compliance, production efficiency and cost control, equipment maintenance and management, production safety and environmental management, etc., aiming to ensure the efficient operation of production activities, product quality compliance and achievement of production targets. Mr. Wang Zhiyong has more than 30 years of experience in the luggage and luggage industry. He has held technical management positions in a number of Taiwan-funded and local private enterprises, including Zhongshan Dexi Luggage Factory, Jiangmen Baibao Luggage Factory, Dongguan Amate Luggage Co., Ltd., amongst others, and is familiar with the production and assembly process of luggage, especially the blister manufacturing process of PC hard cases, as well as basic production machines and aluminum mold maintenance. Mr. Wang Zhiyong studied at Hunan Taoyuan No. 8 Middle School.

Ms Xia Dongtian, Head of Finance, is responsible for the overall financial and accounting functions. Ms Xia Dongtian has held various financial management positions throughout her career. She has 18 years of experience and has worked as a senior in an international financial management division, senior accountant, intermediate accountant, and has gained rich financial management experienceShe has served as the financial director of several companies, including Mitsubishi Corporation, Jiangmen Xinghui Paper Co., Ltd. under Hokuriku Paper Co., Ltd. of Japan, Guangdong Daosheng Technology Co., Ltd., Guangdong Jiangsheng Group, and Guangdong Fuhua Group. In these roles, she has been responsible for budgeting, project approval, and financing planning for various projects. She is familiar with project budgeting, financial budgeting, financial analysis, export tax refund, foreign exchange management, ERP launch, tax planning, and high-tech enterprises. Ms Xia Dongtian majored in accounting at university.

Ms Liang Yanting, Head of Administration, is mainly responsible for coordinating human resources and administrative matters within the company. Ms. Liang Yanting has 8 years of experience in human resources and served as the deputy head of human resources of Vinda Paper (China) Co., Ltd. Ms. Liang Yanting graduated from Cunjin College of Guangdong Ocean University and completed a bachelor's degree in English.

The Group will continue to monitor developments and progress in the Luggage Business. Where necessary, the Group will strengthen the management team of the Target Company and when required, engage suitably qualified external personnel, consultants, industry experts and professionals for the Luggage Business.

As the Proposed Diversification is in the preliminary stage, the Company does not intend to appoint any new director(s) to the Board nor appoint new members to the Management Team The Company may appoint a director on the Board with the relevant expertise as the new business grows and if required.

3.7 Funding for the Golf Business and Luggage Business

3.7.1 *Golf Business*

As announced on 26 September 2023 and also set out in Section 3.3.1 of this Circular, the consideration of HK$100,000 with respect to the acquisition of Ben Sports and Management Limited and the asset purchase price of RMB558,364 to acquire certain inventory and fixed assets has been funded through the Group's internal resources.

As announced, further to the Golf Acquisition Announcement, the Group will provide funding of up to RMB 9,000,000 to Ben Sports and Management Limited and/or its two new subsidiaries as the Company may, in its sole discretion, deem necessary for the expenses to be incurred in relation to entering into new employment contracts with key management employees, entering into new tenancy agreements, entering into new distributor agreements with golf simulator equipment suppliers and entering into an agreement for the acquisition of certain inventory and fixed assets and working capital purposes in furtherance of the Golf Business, including enhancement of existing equipment, and expansion plans. For the avoidance of doubt, the said funding shall be provided after completion of the acquisition of Ben Sports and Management Limited which occurred on 1 December 2023 in tranches by way of a shareholder's loan to Ben Sports and Management Limited.

3.7.2 *Luggage Business*

The costs and expenses incurred or to be incurred by the Company in connection with the Proposed Joint Venture and Acquisition shall be funded via the General Funding, for which Company will be funding its portion through the Group's internal resources.

As set out in Section 2.3.3 of this Circular, further funding will be provided by the Company and Ben to the JV Company. This in turn will be channeled into the Target Company to further the Luggage Business.

As and when necessary and deemed appropriate, the Company may explore fund-raising exercises by tapping into the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

3.8 Risk Factors

To the best of the Directors' knowledge and belief, all risk factors which are material in making an informed decision in relation to the Proposed Diversification have been set out below. Shareholders should carefully consider and evaluate the risk factors set out herein and all other information contained in this Circular.

Any of the risks described below could have a material adverse effect on the Company's or the Group's business, results of operations or financial condition. In that event, the market price of the Shares may decline, and Shareholders may lose all or part of their investments in the Shares.

The risks declared below are not intended to be exhaustive. New risk factors may emerge from time to time and it is not possible for the management to predict all risk factors, nor can the Company assess the impact of all factors on the Golf Business and/or the Luggage Business or the extent to which any factor or combination of factors may affect the Golf Business and/or the Luggage Business.

Shareholders should evaluate carefully the following considerations and the other information in this Circular before deciding on how to cast their votes at the EGM. The risks set out below are the material risks which the Group faces following the Proposed Diversification. If any of the following considerations, risks or uncertainties develops into actual events, the business, results of operations and financial condition of the Group may be materially and adversely affected.

Shareholders should consider the risk factors in light of their own investment objectives and financial circumstances. If a Shareholder is in any doubt as to the action he/she should take, he/she should consult his/her stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

3.8.1 *General Risk Factors Associated with the Proposed Diversification into the Golf Business and Luggage Business*

The Golf Business and Luggage Business are subject to competition risks

As the trend of golf simulators increases in popularity, many service providers have emerged in the market. This may weaken the market competitiveness of the Golf Business as there would be an improvement in the technical level of the products and decrease in product differentiation among the service providers which will in turn increase the price competition.

The success of the Luggage Business will largely depend on the Group's ability to effectively compete with existing and future competitors, some of whom may be larger and better capitalised, have access to better resources (including financial, human, technical and marketing resources), possess longer operating histories, or have a stronger presence or are more well-established. The continuous development of new technology such as big data, cloud computing, the Internet of Things, and artificial intelligence has also led to changes in the business demands of the travel product solutions market, and there is uncertainty as to whether the Luggage Business is able to keep pace with the changing demands arising as a result thereof. Additionally, given the acceleration of the development of transportation infrastructure and urbanisation in recent years, there is an increase in new market entrants to the travel solutions market, with a group of leading enterprises capturing a significant portion of the market, intensifying competition within the industry. The Group may therefore face strong competition from both new market entrants as well as established industry participants who may have better financial resources, or who may command greater market share or have a stronger operating track record.

There is no assurance that the Group will be able to compete effectively against potential or existing competitors in the Golf Business and Luggage Business. If the Group is unable to compete effectively, the business, financial condition and results of operations of the Group may be materially and adversely affected.

The Golf Business and Luggage Business may require additional funding

The Group's entrance into the Golf Business is intended to be carried out through the acquisition of Ben Sports and Management Limited and the Group's initial foray into the Luggage Business is intended to be carried out through the Proposed Joint Venture and Acquisition. To that end, the costs and expenses incurred or to be incurred in connection with the foregoing is intended to be funded through the Group's internal resources.

However, as and when necessary and deemed appropriate, the Group may be required to tap into the capital markets for debt or equity financing to fund future capital expenditure and working capital. There is no assurance that the Group will be able to successfully obtain the required financing in a timely manner and on terms which are favourable or acceptable to the Group, or that the Group would be able to successfully obtain the required additional financing at all.

Furthermore, additional equity fundraising may result in a dilution of shareholding percentages of the Company's Shareholders, and there is no assurance that the Group will be able to successfully utilise such equity financing to generate an increase in earnings in the Golf Business and Luggage Business. The inability to generate an increase in earnings may dilute the Group's earnings per Share, and this may result in a decline in the prices of Shares of the Company.

Additional debt financing on the other hand, may be accompanied by restrictions with respect to, for instance, dividends, or the Group's freedom to conduct fundraising exercises in the future and other financial and operational matters by requiring the Group to seek the lenders' prior consent.

Undertaking debt financing may also increase the Group's vulnerability to general adverse economic and industry conditions.

The success of the Golf Business and Luggage Business will be dependent on the Group's ability to attract highly skilled personnel and retain certain key personnel

The success and growth of the Group in the Golf Business and Luggage Business will be highly dependent on the expertise, contributions and experience of the current key management personnel overseeing the operations of Ben Sports and Management Limited and the Target Company. If the Group is unable to retain the services of such key management personnel and a timely and suitable replacement is not found, the business, financial condition and results of operation of the Group may be materially and adversely affected.

In addition to the existing key management team, the Group may recruit other appropriate personnel for its Golf Business and Luggage Business. The growth of the Golf Business and Luggage Business will therefore be reliant on the Group's ability to identify, recruit, train and retain qualified employees to form a relevant and strong management team with the requisite technical expertise to oversee the operations of the Golf Business and Luggage Business. The competition for qualified personnel in the Golf Business and Luggage Business may be intense, and there is no guarantee that the Group is able to attract qualified personnel at a reasonable cost. The loss of services of one or more of such individuals without adequate replacement, or the inability to attract qualified personnel at a reasonable cost could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Group's business operations may be disrupted if suppliers for the Golf Business and Luggage Business fail to fulfil their obligations

The Golf Business involves the sale of golf simulators and the operation of golf simulator venues while the Luggage Business includes the production of travel cases made from PP, PC, and other innovative materials. As such, the Golf Business and the Luggage Business are reliant on the existence of a stable and constant supply of materials required during the production process at a reasonable cost. Accordingly, there may be an adverse impact on the Group if the Group's relationships with the suppliers of such requisite materials are affected, or if the suppliers are unwilling to provide the materials required for production operations under the Golf Business or the Luggage Business for reasonable prices. In addition, the Group is subject to supply chain risks such as the failure of suppliers to provide the materials required for production, or a delay in the provision of such materials, which may have an adverse impact on the Group's financial performance, business reputation, financial condition, and results of operations.

The Golf Business and Luggage Business may be exposed to foreign exchange risk

The business of the Group is denominated in Hong Kong Dollars and Singapore Dollars. On the other hand, Ben Sports and Management Limited and the Target Company's main operations are in the People's Republic of China, where its cost of sales, operating expenses and salaries will typically be denominated in RMB. Upon consolidation, given that the financial statements of the Group are prepared in Singapore Dollars, the Group will be exposed to currency translation risks arising from the Golf Business and the Luggage Business. Therefore, the Group's revenue and income may be adversely affected by any fluctuations in foreign exchange rates, which may be unpredictable and/or highly volatile.

Foreign currency hedging arrangements may be available to manage the risks associated with foreign exchange fluctuations. However, there is no assurance on the availability and effectiveness of these hedging instruments, or that the Group will enter into any such hedging arrangements. Even where hedging arrangements are entered into, there is also no assurance that such arrangements will be able to fully insulate the Group against risks associated with foreign exchange rate fluctuations, or that the Group will be able to hedge its exposure successfully. There is no guarantee that the hedging arrangements entered into, if any, will have the desired beneficial impact on the business, financial condition or results of operations of the Group. In the event such hedging arrangements are inadequate or unsuccessful, the Group's financial performance, financial position, business operations, and other prospects may be adversely affected.

Further acquisitions, joint ventures, partnerships and/or strategic alliances may expose the Group to increased risks

Following the Proposed Joint Venture and Acquisition and the Proposed Diversification, the Group may enter into acquisitions, joint ventures, partnerships and/or strategic alliances in connection with the Golf Business and Luggage Business as a matter of business strategy. Such acquisitions, joint ventures, partnerships and/or strategic alliances may or may not be successful and participation in such acquisitions, joint ventures, partnerships and/or strategic alliances involves numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such acquisitions, joint ventures, partnerships and/or strategic alliances. Should disputes arise from such acquisitions, joint ventures, partnerships and/or strategic alliances, the Group's financial performance, financial position, business operations, results of operations, and other prospects may be adversely impacted.

The Group's performance in the Golf Business and Luggage Business could be adversely affected by disputes between the Group and the joint venture partners as well as other risks associated with joint ventures

The Group is susceptible to risks associated with joint venture arrangements. There is no assurance that any disagreements arising between the Group and its joint venture partners regarding the business and operations of the Golf Business and Luggage Business will be resolved, that the business and operations of the Golf Business and Luggage Business will not be materially and adversely affected as a result thereof, or that the disagreements would not impact the Group's business relationships with its joint venture partners.

There is a risk that if any of the Group's joint venture partners is unable to, unwilling to or for any other reason does not, deliver its obligations or commitments under the joint ventures, the Group may incur not only additional costs as a result thereof, but further, the Group's financial performance, financial position, business operations, and other prospects may be adversely affected.

In addition, there are additional risks associated with joint ventures. For instance and without limitation, there is a possibility that the joint venture partners may (i) have differing or conflicting economic and business interests from the Group, (ii) face financial difficulties which may adversely impact the joint venture relationship or its continuation thereof, or (iii) take actions or omit to take actions, and as a result thereof renders it contrary to applicable law or good practice, or may be inconsistent or in conflict with the Group's directions, requests or objectives. The materialisation of such risks may result in the Group's financial performance, financial position, business operations, results of operations, and other prospects being adversely affected.

The Golf Business and Luggage Business is susceptible to credit risks associated with accounts receivables

In order to expand sales volume and remain competitive in a fierce market, companies often use credit sales to promote sales in their production and operations. While this method can increase product sales, it also introduces certain risks associated with non-payment or a delay in payment of accounts receivables. Accordingly, the Group may face credit risks relating to such delays in, or non-payment of, accounts receivables of the Golf Business and Luggage Business.

To manage credit risks under the Luggage Business and Golf Business, the Group will establish and maintain a credit management department comprising local management from the finance and sales department in the Target Company and Ben Sports to monitor and conduct background checks on customers. Thereafter, credit limits would be set for each customer depending on the credit ability of the customers as assessed by the credit management department.

There is no guarantee that customers of the Golf Business and Luggage Business would be willing and able to make timely payments, and this may cause the Group's accounts receivables and bad debts to increase, resulting in an adverse impact on the financial performance and financial position of the Group.

3.8.2 *General Risk Factors Associated with the Golf Business*

The Golf Business is exposed to risks associated with disease outbreaks and pandemics (e.g. COVID-19)

The Golf Business would be affected by outbreaks of communicable diseases which may lead to limitations imposed on public events and mass gatherings. This in turn would cause a decrease in demand for golf simulators and fewer people visiting golf simulator venues. In such a situation, the Golf Business would be negatively impacted and the business, financial condition and results of operations of the Group may be materially and adversely affected.

The Group's performance in the Golf Business will be subject to changes in economic conditions as well as the business environment

The Golf Business is dependent on the overall market demand for golf simulators and golf simulator venues. This would be affected by various factors including personal disposable income and measures taken by the government. Economic conditions and the business environment in the PRC will have an impact on the domestic consumer demand for the Golf Business. There is no assurance that macroeconomic developments will remain positive in relation to the Golf Business. Thus, the Group's operating margins and profitability may be adversely affected if macroeconomic develops turn for the worse.

In addition, a global economic downturn could adversely affect the Group's ability to obtain short-term and long-term financing. The inability to access capital efficiently could materially and adversely affect the business, results of operations and financial condition of the Golf Business.

3.8.3 *General Risk Factors Associated with the Luggage Business*

The Group has no prior track record and business history in the Luggage Business

The Group has no prior track record and/or business history in the Luggage Business. Accordingly, the Group will face the usual risks, uncertainties and problems associated with the entry into any new business which it has no prior track record. There is therefore no assurance that the Luggage Business undertaken by the Group following the Proposed Joint Venture and Acquisition, and the Proposed Diversification will be a commercial success, or that the Group will be able to eliminate and/or mitigate business risks arising from the Luggage Business. There is also no guarantee that the Group will be able to derive sufficient revenue to offset the capital, investment and/or acquisition costs as well as operating costs arising from the Luggage Business.

The Group will also be exposed to the risks associated with a different competitive landscape and a different operating environment from its current existing business. In particular, the Group will be affected by factors, trends and developments affecting, for instance, the travel product solutions, as well as travel and tourism sectors in the regions where the Group ventures into. The success of the Group's venture into the Luggage Business is therefore dependent on the Group's ability to navigate the challenges posed by the travel product solutions industry.

The Luggage Business is exposed to risks associated with disease outbreaks and pandemics (e.g. COVID-19)

The Target Company is in the business of independent research, design, production, and sale of travel cases made from PP, PC, and other innovative materials, offering a comprehensive set of travel product solutions to major brands and channels both domestically and internationally. The Luggage Business is therefore vulnerable to outbreaks of communicable diseases which may lead a curtailment of travel and a decreased demand for the Group's services and products.

In addition, governments may introduce measures to prevent, contain, curb or slow down the spread of communicable diseases. If any of the Group's employees are infected with any communicable disease, the Group may be required to temporarily suspend operations and/or implement other measures in order to prevent, contain, curb or slow down the spread of the disease. Such measures may result in significant disruptions in the Luggage Business such as delays in production and/or a fulfilment of orders relating to the Luggage Business, as well as a drop in service levels, and may adversely impact the Group's business and financial condition.

For instance, during the recent COVID-19 outbreak, measures were introduced by governments (including lockdowns, border controls and social distancing measures) to slow down the spread of COVID-19. Should similar outbreaks of communicable diseases occur in future, this may lead to a fall in demand of the Group's products and services under the Luggage Business and/or an impact on the Group's ability to operate the Luggage Business, and the business, financial condition and results of operations of the Group may be materially and adversely affected in turn.

The Group's performance in the Luggage Business will be subject to exposure to macro-economic risks

The markets in which the Luggage Business is in may be affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates or invests:

(a) legal and regulatory changes;
(b) economic and political conditions;
(c) the level and volatility of liquidity and risk aversion;
(d) concerns about natural disasters, terrorism and war;
(e) the level and volatility of equity, debt, property, commodity and other financial markets;
(f) the level and volatility of interest rates and foreign currency exchange rates; and
(g) concerns over inflation.

Any of the above-mentioned factors could adversely impact the performance of the Luggage Business, which in turn may affect the Group's financial performance, financial position, business operations, and other prospects.

The Group may face force majeures and other events beyond the control of the Group

In addition to the outbreaks of communicable diseases as well as the general macroeconomic conditions and business environment of the People's Republic of China that may affect the Luggage Business, there are also other events beyond the Group's control which may disrupt the operations of the Luggage Business, including but not limited to, diverse factors such as natural disasters, acts of terrorism and international disputes that affect economic and business conditions. Accordingly, the occurrence of such events may have an adverse impact on the financial performance, financial position, business operations, results of operations, cost of operations, and other prospects of the Group.

Compliance in relation to social insurance and housing provident funds

Pursuant to PRC laws, an employer shall, within 30 days of the date of employment, apply for social insurance registration with a social insurance agency for its employees. If an employer fails to register for social insurance, the social insurance administrative department shall order it to rectify within a certain period of time; if it fails to do so, the employer shall be subject to a fine of one to three times of the amount of social insurance premiums payable, and the personnel in charge and others directly responsible shall be subject to a fine of not less than RMB 500 and not more than RMB 3,000. For the employer who has not made adequate social insurance contribution for its employees based on their actual wages, the relevant governmental authority may require the employer to make the outstanding contribution with an additional late payment fee at a daily rate of 0.05% of the outstanding contribution calculated from the date such contributions become overdue within a given period and, if the employer fails to do so, a fine may be imposed on the employer ranging from one to three times of the total amount of the outstanding contribution.

In addition, pursuant to the PRC Laws, an employer shall go through housing provident funds registration with the local housing fund administration center and open housing fund accounts for its employees. Failure to complete above mentioned registration and account opening procedure may result in an order for rectification within a time limit. If the company fails to comply within the designated time limit, it will be subject to penalties ranging from RMB10,000 to RMB50,000. For the employer failing to make adequate housing provident funds for its employees, the relevant governmental authority may require the concerned employer to make the outstanding contribution within a prescribed time limit, and if the concerned company fails to do so, the relevant governmental authority may apply to a PRC court for an order to enforce payment.

As set out in Section 2.1.1 of this Circular, following the legal due diligence conducted by GFE, it was noted that the Target Company has not made adequate contributions to social insurance and housing provident funds for its employees. In this regard, it may be subject to the penalties as set out above. The Target Company shall seek the cooperation of the relevant employees to complete the registrations and make the relevant contributions to social insurance and housing provident funds for its employees. The Target Company is also committed to promptly following up with the relevant governmental authorities should it receive any notice of warnings or be subject to any administrative penalties or other disciplinary actions.

Compliance in relation to environmental protection procedures

Pursuant to the PRC laws, the State implements classified administration over the assessment of the environmental impact of construction projects according to the estimated level of such impact on the environment. Prior to the commencement of construction, environmental impact assessment documents of the construction project are to be reviewed and approved, or recorded, by the relevant environmental protection authority. Upon completion of the construction, the construction units shall organise the acceptance inspection of the supporting environmental protection facilities. Without acceptance or unqualified acceptance, it shall not be put into production or use.

If a construction unit fails to submit and obtain the approval of the environmental impact assessment documents in accordance with law and starts construction without authorisation, the relevant environmental protection authority may order the construction to be stopped, and depending on the circumstances of the violation and the harmful consequences, impose a fine ranging from 1% to 5% of the total amount of the investment in the construction project, and may also order the restoration of the construction site to its original status; and the personnel directly in charge of the construction unit and other personnel directly responsible for the construction unit shall be subject to administrative sanctions. If a construction unit fails to file the environmental impact registration form of a construction project in accordance with the law, the relevant environmental protection authority may order the same to be filed, and impose a fine of not more than RMB 50,000.

If the environmental protection facilities that need to be constructed are not completed or accepted in accordance with the PRC laws, and the construction project is put into production, or if the acceptance of the environmental protection facilities is falsified, the relevant environmental protection authority may order rectification within a time limit, and impose a fine ranging from RMB 200,000 to RMB 1,000,000; if the construction unit fails to rectify the issues within the prescribed time limited, a fine of ranging from RMB 1,000,000 to RMB 2,000,000 may be imposed; and the directly responsible supervisors and other responsible personnel may be fined not less than RMB 50,000 and not more than RMB200,000. In the event of major environmental pollution or ecological damage, the environmental protection authority may order the stop of production or use, or the closing down of the construction project upon the approval from responsible the government.

In addition, further to PRC laws, enterprises or other production operators with minimal pollutant generation, emissions and impact on the environment are required to fill in a sewage discharge registration form and are exempt from applying for a sewage discharge permit. Enterprises and other production operators that fail to provide information on the sewage discharge registration form shall be ordered by the relevant environmental protection authority to make corrections, and may be fined for not more than RMB 50,000.

Jiangmen Baibo Environmental Protection Co., Ltd. 江门市佰博环保有限公司 prepared the Environmental Impact Assessment Report Sheet for the Target Company's new construction project with an annual production capacity of 700,000 trolley suitcases in October of 2023. On 31 October 2023, Jiangmen Bureau of Ecology and Environment江门市生态环境局 approved the aforementioned Environmental Impact Assessment Report Sheet accordingly. Thereafter, the Target Company filled in the emission registration form on 23 November 2023. However, the Target Company had commenced production on 20 September 2023 and it is still in the process of carrying out the acceptance procedures of the environmental protection facilities.

As set out in Section 2.1.1 of this Circular, following the legal due diligence conducted by GFE, it was noted that the Target Company had commenced production before completion of the environmental protection procedures and thus the relevant environmental protection authority may impose relevant administrative penalties as set out above.

Compliance in relation to fire control

Further to PRC laws, a fire design review and acceptance system has been implemented for special construction works, a system of filing and random inspection has been implemented for other construction works. Production and processing workshops of labour-intensive enterprises with a total floor area of more than 2,500 square meters would fall under special construction works. According to the Construction Project Fire Design Review of Difficult Problems Analysis of Guangdong Province广东省建设工程消防设计审查疑难问题解析 issued in March of 2023, processing workshops run by labour-intensive enterprises such as plastics that meet any of the following conditions are regarded as production and processing workshops of labour-intensive enterprises: (1) any production and processing workshop or fire partition in a single building, with the number of employees exceeding 200 in the same working period; (2) more than 30 workers during the same period and the per capita floor area is less than 20 square meters.

The Target Company has confirmed that it does not meet any of the above conditions. Therefore, its leased workshop would not be regarded as special construction work and the Target Company is only required to follow the same fire protection filing procedures as other construction works. According to PRC laws, if a construction unit fails to go through the fire protection filing procedures with the relevant authority, the relevant authority may order rectification and impose a fine of not more than RMB 5,000.

As set out in Section 2.1.1 of this Circular, following the legal due diligence conducted by GFE, it was noted that the GFE has not reviewed any documents of the Target Company in relation to the fire protection filing. The Target Company is seeking clarification and guidance on the fire protection filings with the relevant authority. However, as at the date of this Circular, it has not received any feedback from the relevant authority and will follow up on the submission.

Ownership of lessor of leased premises

As at the date of this Circular, the lessor has not provided to the Target Company any relevant proof of ownership or legal right to lease the premises. If the lessor does not have the legal ownership or legal right to lease the property, such part of the lease agreement may be deemed invalid by the court and the Target Company may not be able to continue to the rent the property. Pursuant to the PRC laws, in the case where a civil legal act is deemed invalidated, revoked or ineffective, the property acquired as a result of such civil act shall be returned; if it cannot be returned or if there is no need for it to be returned, it shall be compensated at a discounted price. The party at fault shall indemnify the other party for the loss incurred; if all parties are at fault, they shall each bear the corresponding responsibility. If the law provides otherwise, it shall follow the laws.

As set out in Section 2.1.1 of this Circular, following the legal due diligence conducted by GFE, it was noted that the GFE has not reviewed any documents in relation to the construction project planning permit or any other documents certifying the ownership of the real estate for the temporary leased premises with a total gross floor area of 1,584 square meters.

Compliance in relation to occupational disease hazard declaration

Pursuant to the PRC laws, a system for the declaration of hazardous items related to occupational diseases has been established. Where hazardous items for occupational diseases listed in a catalogue of occupational diseases exist in the workplace of an employer, the employer shall declare the hazardous items promptly and accurately to the relevant production safety authority and accept its supervision. If the employer fails to comply, the production safety authority may order rectification within a prescribed time limit, issue a warning, and may impose a fine ranging from RMB 50,000 to RMB 100,000 at the same time.

As set out in Section 2.1.1 of this Circular, following the legal due diligence conducted by GFE, it was noted that the GFE has not reviewed any documents from the Target reflecting that it has made the declaration for occupational disease hazard. As at the date of this Circular, the management of the Target Company has commenced the declaration process for hazardous items related to occupational diseases and has engaged a qualified third-party agency to issue a report on the occupational disease hazard factors in the workplace to the management. The said report would then be submitted to the occupational disease hazard project declaration system for declaration purposes. The management is expected to complete the whole declaration process within six (6) months from date of STA.

Compliance in relation to construction of occupational disease prevention facilities

Pursuant to the PRC laws, where occupational disease hazards may arise from newly constructed, reconstructed or expanded construction projects, as well as technological innovation and technology importation projects (hereinafter collectively referred to as "**Construction Projects**"), a construction unit shall carry out a pre-evaluation of occupational disease hazards, design of occupational disease prevention facilities, evaluation of the effectiveness of occupational disease control and the corresponding assessments, and organise the acceptance of the occupational disease prevention facilities. If a construction unit commits any of the following actions, it shall be given a warning by the relevant authority and ordered to rectify within a certain period of time; if it fails to make corrections within the given time period, it may be fined from RMB 100,000 to RMB 500,000; in cases of severe circumstances, it may be ordered to stop the operations that generates occupational disease hazards, or it may be submitted to the government for ordering the suspension of construction or closure of the construction project: (1) it fails to carry out a pre-evaluation of the hazards of occupational disease; (2) the occupational disease protection facilities of the construction project are not designed, constructed and put into production and use at the same time as the main project; (3) the design of the occupational disease protection facilities of the construction project does not comply with the national occupational health standards and health requirements; (4) the occupational disease protection facilities are not evaluated for the effectiveness of occupational disease hazards control; (5) before the completion of the construction project and putting it into production and use, the occupational disease protection facilities are not accepted in accordance with the regulations.

In addition, if a construction unit commits any of the following actions, it may be given a warning by the relevant authority and ordered to rectify within a certain period of time; if it fails to make corrections after the deadline, it may be fined from RMB5,000 to RMB 30,000: (i) it does not carry out the corresponding assessments of the pre-evaluation of occupational disease hazards, design of occupational disease prevention facilities, evaluation of the effectiveness of occupational disease control or organize the acceptance of the occupational disease protection facilities; (ii) it does not form a written report for inspection for the work process of the pre-evaluation of occupational hazards, design of occupational disease protection facilities, evaluation of the effectiveness of occupational disease control occupational hazards control and acceptance of occupational disease protection facilities.

According to the Catalogue for Management of Risk Classification of Occupational Disease Hazards in Construction Projects建设项目职业病危害风险分类管理目录, the plastics industry (industry code C292) is classified as a "severe" risk of occupational disease hazards.

As set out in Section 2.1.1 of this Circular, following the legal due diligence conducted by GFE, it was noted that the GFE has not reviewed any documents on the construction of occupational disease protection facilities. As at the date of this Circular, the management of the Target Company has commenced work on establishing the relevant occupational disease prevention facilities. The management has engaged a qualified third-party agency to issue a report on the occupational disease hazard factors in the workplace to the management. The management will then rectify or make improvements based on the issues identified or suggestions made in the report, if any. The management is expected to complete the establishment of the occupational disease prevention facilities within six (6) months from date of STA.

Compliance in relation to self-constructed buildings

According to the PRC laws, if a construction unit fails to obtain a construction project planning permit or fails to adhere to the provisions of the construction project planning permit, the relevant urban-rural planning authority may issue an order for cessation of the construction. In the case where corrective measures can still be taken to eliminate the adverse impact on the implementation of the plan, the corrective measures shall be carried out within a time limit, and a fine ranging from 5% to 10 % of the total construction cost will be imposed. In the event that no corrective measures can be taken to eliminate the adverse impact, the construction shall be dismantled within a time limit; if the construction cannot be dismantled, it shall be either confiscated in kind or the illegal income generated from it shall be confiscated, and a fine of not more than 10% of the construction cost may be imposed. In addition, further to the Notice on the List of Exempted Items of the Construction Project Planning Permit and Rural Construction Planning Permit of Jiangmen City 江门市《建设工程规划许可证》《乡村建设规划许可证》豁免项目清单的通知 issued by Jiangmen Municipal Bureau of Natural Resources on 29 June 2020, construction projects falling within the following scope are exempted from the application of a construction project planning permit or the rural construction planning permit: (i) construction projects (including interior decoration and night view works) with no increase in floor area, total height of the building, the number of building floors, addition of mezzanine floors, or changes in façade, building structure or house use, except for demolition and reconstruction; (ii) temporary construction sheds, construction fences, construction rooms, and other temporary rooms not involved in the civil engineering construction within designated project's land; and (iii) others. Therefore, if the self-constructed buildings fall within the aforementioned scope, no construction project planning permit is required.

According to the PRC laws, a construction project may be delivered for use only if it receives the relevant qualification upon acceptance. If a construction project is delivered for use without completion of inspection and acceptance, orders may be made for corrections and the construction unit may be fined at a rate of not less than 2% and not more than 4% of the contract price of the project. Additionally, if any damage has been caused, the Target Company shall be liable for compensation.

The Target Company had constructed the following additional buildings (collectively, the "**Self-constructed Buildings**") while it had not obtained the construction planning permit or carried out the completion and acceptance procedures for the Self-constructed Buildings:

No.	Item	Construction cost
1)	Restroom	RMB 192,555
2)	Sample room	
3)	Shredding room	RMB 20,430

As set out in Section 2.1.1 of this Circular, following the legal due diligence conducted by GFE, it was noted that the GFE has not reviewed any documents in relation to the completion and acceptance of the Self-Constructed Buildings. Further to the construction cost set out above, the potential fine would be about RMB 4,260 to RMB 8,520.

Compliance in relation to filing of lease

According to the PRC laws, both parties to a lease contract are required to apply for the registration and filing of the housing lease with the relevant real estate authority after signing of the lease contract. If a party fails to apply for such registration and filing of housing lease, it shall be ordered by the relevant real estate authority to make corrections within a certain period of time; and if the Target Company fails to make corrections within the given period of time, it shall be liable to a fine of not less than RMB1,000 and not more than RMB10,000.

As set out in Section 2.1.1 of this Circular, following the legal due diligence conducted by GFE, it was noted that there were three lease contracts entered into by the Target Company and GFE has not reviewed any documents reflecting the registration of the leases. As at the date of this Circular, the Target Company had sought the lessor's cooperation to do the necessary filing with the relevant real estate authority as the lessor's cooperation is generally required. In the event that the lessor does not respond in a reasonable time period, or is not cooperative, the management will endeavour to do the filing with the relevant real estate authority in accordance with legal advice.

3.9 Internal Controls and Risk Management of the Golf Business and Luggage Business

The Board recognises the importance of internal control and risk assessment. Thus, in order to better manage the Group's external manage the Group's external and internal risks arising from the Proposed Diversification, the Group will implement a set of operations and compliance procedures.

The Audit Committee of the Company and the Board will:

(a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the Golf Business and Luggage Business; and

(b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholding interests of the Directors and Substantial Shareholders are set out below:

	Number of Shares			Total Percentage Interest (%)[1]
	Direct	Deemed	Total	
Directors				
Mr Chung Wai Man	-	-	-	-
Mr Zhou Wen Jie[1]	119,750,600	-	119,750,600	22.78
Mr Ong Chor Wei @ Alan Ong	3,150,000	53,700,000	56,850,000	10.82
Mr Ben Lee[1][2]	-	120,000,000	120,000,000	22.83
Mr Chin Fook Lai	69,022,400	-	69,022,400	13.13
Mr Tso Sze Wai	-	-	-	-
Mr Chak Chi Shing	-	-	-	-
Ms Kwok Meei Ying, Monica	-	-	-	-
Substantial Shareholders (other than Directors)				
Zhou Dan[1][2]	120,000,000	-	120,000,000	22.83
Quad Sky Limited[3][4]	53,700,000	-	53,700,000	10.22
Head Quarter Limited[3]	-	53,700,000	53,700,000	10.22
Wingate Investment Corporation[4]	-	53,700,000	53,700,000	10.22
Yung Fung Ping[4]	-	53,700,000	53,700,000	10.22
Chan Mei Sau[4]	-	53,700,000	53,700,000	10.22
Chin Fook Lai	69,022,400	-	69,022,400	13.13

Notes:

(1) Zhou Wen Jie is the brother of Zhou Dan and the brother-in-law of Ben Lee.

(2) Zhou Dan is the wife of Ben Lee. Ben Lee is deemed interested in the shares held by Zhou Dan.

(3) Ong Chor Wei @ Alan Ong is deemed interested in the shares held by Quad Sky Limited by virtue of him owning 100.0% of the equity interest in Head Quator Limited which in turn owns 50.0% of the equity interest in Quad Sky Limited.

Head Quator Limited is deemed interested in the shares held by Quad Sky Limited by virtue of it owning 50% of the equity interest in Quad Sky Limited.

(4) Wingate Investment Corporation is deemed interested in the shares held by Quad Sky Limited by virtue of it owning 50% of the equity interest in Quad Sky Limited.

Yung Fung Ping and Chan Mei Sau are deemed interested in the shares held by Quad Sky Limited by virtue of them each owning 50% of the equity interest in Wingate Investment Corporation which in turn owns 50% of the equity interest in Quad Sky Limited.

Other than through their respective shareholdings in the Company and as set out in Section 4 of this Circular, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Resolutions.

5. DIRECTORS' RECOMMENDATIONS

Having considered and reviewed, amongst others, the terms and/or rationale of the Proposed Joint Venture and Acquisition, and all other relevant facts set out in this Circular, the Directors (excluding Ben and Zhou Wen Jie) are of the opinion that the Proposed Joint Venture and Acquisition is in the best interests of the Company and the Shareholders. Accordingly, the Directors (excluding Ben and Zhou Wen Jie) recommend that the Shareholders vote in favour thereof.

In addition, having considered and reviewed, amongst others, the terms and/or rationale of the Proposed Diversification, and all other relevant facts set out in this Circular, the Directors (excluding Ben and Zhou Wen Jie) are of the opinion that the Proposed Diversification is also in the best interests of the Company and the Shareholders. Accordingly, the Directors (excluding Ben and Zhou Wen Jie) recommend that the Shareholders vote in favour thereof.

6. ABSTENTION

Ben and Zhou Wen Jie (i.e., the brother-in-law of Ben) have abstained from making any deliberation/recommendation on or approving any matters in connection with the Proposed Joint Venture and Acquisition. Further, both Ben and Zhou Wen Jie shall (i) abstain from voting at the EGM in relation to the Proposed Joint Venture and Acquisition, and the Proposed Diversification; and (ii) ensure that their associates abstain from voting on the same at the EGM.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at The Pavilion, KLOUD Keppel Bay Tower, 1 HarbourFront Avenue, Level 13 Keppel Bay Tower, Singapore 098632 on 23 February 2024 at 2.00 p.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing (with or without modification) the resolutions as set out in the notice of EGM.

8. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote on their behalf, should complete, sign and return the attached proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at 35 Selegie Road, #10-25, Parklane Shopping Mall, Singapore 188307, not later than 72 hours before the time for holding the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting in person at the EGM in place of his proxy if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the EGM.

9. CONSENTS

The legal adviser to the Company in relation to this Circular and matters of Singapore laws only is Shook Lin & Bok LLP. Shook Lin & Bok LLP has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, and all references thereto in the form and context in which they appear in this Circular.

The legal adviser to the Company in relation to matters of PRC laws only is GFE Law Office. GFE Law Office has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, and all references thereto in the form and context in which they appear in this Circular.

The Valuer, Graval Consulting Limited has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion herein of its name and all references thereto, and a summarised version of the Valuation Report as set out in Appendix B to this Circular, in the form and context in which they appear in the Circular.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 35 Selegie Road #10-25 Singapore 188307, during normal business for three (3) months from the date of this Circular:

(a) the JVA;

(b) the STA;

(c) the SHA;

(d) the Valuation Report;

(e) the Constitution; and

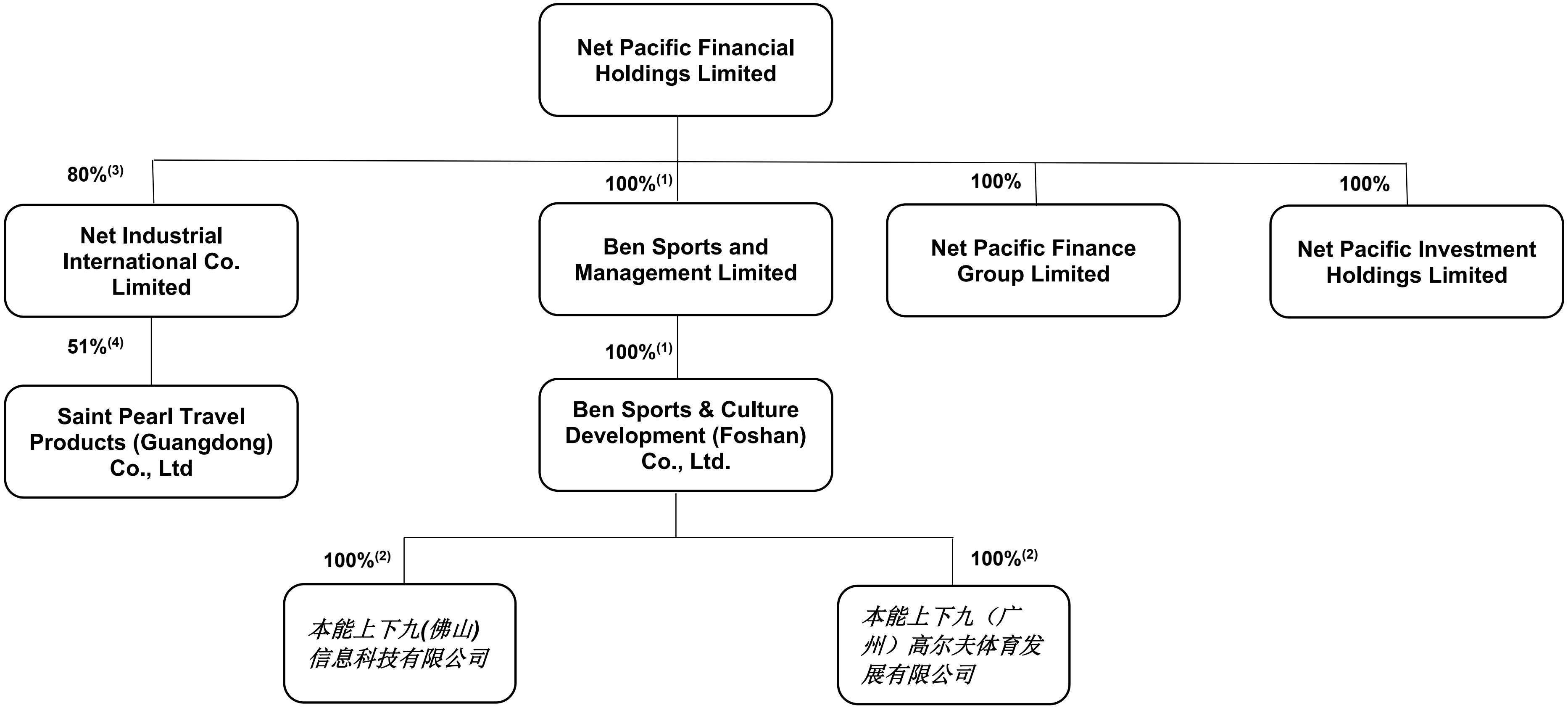
(f) the annual report of the Company for FY2022.

Yours faithfully

For and on behalf of the Board of Directors of
Net Pacific Financial Holdings Limited

Ong Chor Wei @ Alan Ong
Executive Director and Chief Executive Officer

APPENDIX A
GROUP STRUCTURE AFTER THE PROPOSED JOINT VENTURE AND ACQUISITION



Notes:

(1) The Company had, on 25 September 2023, entered into a sale and purchase agreement with Mr. Ben Lee, a Non-Independent Non-Executive Director of the Company to acquire 100% of the total issued and paid-up share capital of Ben Sports and Management Limited ("**Ben Sports**"). Ben Sports has a wholly-owned subsidiary, Ben Sports & Culture Development (Foshan) Co., Ltd..

(2) Ben Sports & Culture Development (Foshan) Co., Ltd. had on 30 October 2023 incorporated two wholly-owned subsidiaries in the People's Republic of China.

(3) The Company had on 2 February 2024 entered into a joint venture agreement with Mr. Ben Lee, pursuant to which Net Industrial International Company Limited was established as a joint venture company, with the Company being the majority shareholder holding 80% interest in Net Industrial International Company Limited.

(4) Net Industrial International Company Limited had on 2 February 2024 entered into a share transfer agreement with Jiangmen Limingzhu Technology Co., Ltd. to acquire Mr. Ben Lee's 51% of the total issued and paid-up share capital of Saint Pearl Travel Products (Guangdong) Co., Ltd. The balance 49% is held by Jiangmen Limingzhu Technology Co., Ltd..

APPENDIX B
SUMMARY OF VALUATION REPORT

graval Consulting

Prepared for

Net Pacific Financial Holdings Limited

In respect of

the Valuation of 100% Equity Interest in Saint Pearl Travel Products (Guangdong) Co., Ltd.

Valuation Date	**:**	**30 June 2023**
Report Date	**:**	**2 February 2024**
Reference Number	**:**	**B20523**

EXECUTIVE SUMMARY

Valuation of 100% Equity Interest in Saint Pearl Travel Products (Guangdong) Co., Ltd. ("Target Company")

Valuation Date:	30 June 2023 ("**Valuation Date**")
Purpose:	Public documentation, and this valuation report will be appended into a circular of the Client
Scope:	As Net Pacific Financial Holdings Limited ("**Client**") is acquiring a certain percentage of equity interest in the Target Company; Graval Consulting Limited ("**Graval**") has been appointed to perform an independent valuation of 100% equity interest in the Target Company as at the Valuation Date
Subject:	100% equity interest in the Target Company
Basis of Valuation:	Market value ("**Market Value**"), which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"
Valuation Methodology:	Summation method under the cost approach
Opinion of Value:	Renminbi ("**RMB**") 5,307,000 based on our investigations, analyses, and the valuation method employed

2 February 2024

The Board of Directors
Net Pacific Financial Holdings Limited
35 Selegie Road
#10-25 Singapore 188307

Dear Sirs/Madams,

Re: Valuation of 100% Equity Interest in Saint Pearl Travel Products (Guangdong) Co., Ltd.

In accordance with your instructions, we have conducted a valuation of the Market Value of 100% equity interest in the Target Company. The Target Company was incorporated in the People's Republic of China ("**PRC**"). The Target Company is principally engaged in the research, design, production, and sales of travel cases in the PRC. We confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value as at the Valuation Date.

This report states the purpose of valuation, premise of value, company profile, sources of information, describes the investigation and analysis, methodology and assumptions of our valuation, limiting conditions, remarks, and presents our opinion of value.

1. PURPOSE OF VALUATION

Graval acknowledges that this report is being solely prepared for the directors and management of the Client for public documentation purpose only and this valuation report will be appended into a circular of the Client.

We must state that this report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents. If others choose to rely in any way on the contents of this report they do so entirely on their own risk.

2. PREMISE OF VALUE

Our valuation has been prepared in accordance with the International Valuation Standards published by the International Valuation Standards Council.

Our valuation is based on the going concern premise and conducted on a basis of Market Value.

3. COMPANY PROFILE

3.1. Background of the Client

The Client provides working capital financing, asset-backed loans and mezzanine loans to small- to mid-sized companies in the Greater China area. The Client also invests in companies in the form of convertible loans or preferred shares should an investment opportunity arises.

3.2. Background of the Target Company

The Target Company was incorporated in the PRC on 6 April 2023. The Target Company is principally engaged in the research, design, production, and sales of travel cases in the PRC. It manufactures for international and domestic brands.

As advised by the Management, the 100% net asset value of the Target Company reduced to RMB2,708,986 as at 30 September 2023. The Target Company is still in its start-up stage; it continues to expand production capacity and inventories with increase in liabilities. The decrease in the net asset value was mainly due to the costs of testing and calibrating new production lines, which include labour, materials and sample production incurred during trial runs of the production lines. These costs are deemed as foreseeable and inevitable for new players in manufacturing industry.

4. SOURCES OF INFORMATION

We relied on the following major documents and information in our valuation analysis. Some of the information and materials are furnished by the management of the Client, the Target Company and/or their representatives ("**Management**"). Other information is extracted from public sources such as government sources and Bloomberg.

The major documents and information include but not limited to the following:

- Company background and business description of the Target Company;
- Legal documentations of the Target Company;
- Sale and purchase contracts, invoices, and order memorandums between the Target Company, its suppliers and customers;
- Unaudited financial statements, including income statement and balance sheet, of the Target Company as at the Valuation Date;
- A signed agree-upon procedures report prepared a Certified Public Accountant reviewing the balance sheet of the Target Company as at the Valuation Date;
- Financial review report of the Target Company prepared by the Management; and
- Financial and economic data sourced from Bloomberg.

In the course of our valuation, we had discussion with the Management on the industry and development of the Target Company. We have also inspected the fixed assets and constructions in progress in person on 10 October 2023 and our judgement is based on the conditions observed; some of the photos taken during the site visit are presented in appendix II of this report. Furthermore, we have made reference to or reviewed the above information and data and assumed such information and data are true, accurate and complete without independent verification except as expressly described herein. However, we consider that we have obtained adequate information from the sources described above to provide a reliable opinion of value.

We must emphasise that the realisation of the prospective financial information is dependent on the continuing validity of the assumptions on which it is based. Actual results are likely to be different from those shown in the prospective financial information because events and circumstances frequently do not occur as expected, and the differences may be material.

5. INVESTIGATION AND ANALYSIS

Our investigation includes our discussion with the Management in relation to the historical performance, prospect, industry and other relevant information of the Target Company. In addition, we have made relevant enquiries and obtained other public sources of financial and business information as we consider necessary for the purpose of this valuation.

The valuation of the Target Company requires consideration of all pertinent factors, which may affect the operations of the business and its ability to generate future investment returns. The factors considered in this valuation include the following:

- Business nature and operations of the Target Company;
- Historical financial and operational information of the Target Company;
- Proposed development of the Target Company;
- Nature and terms of the relevant agreements, contracts, licenses, permits, and rights held by the Target Company;
- Regulations and rules of the relevant industries;
- Economic and industry data affecting the market and other dependent industries;
- Market-derived investment returns of similar businesses; and
- General economic outlook.

6. VALUATION METHODOLOGY

6.1. Valuation Approaches

There are three generally accepted valuation approaches, namely the market, cost and income approaches.

Market Approach

The market approach provides an indication of value by comparing a business entity with identical or comparable (that is similar) assets for which price information is available. The underlying theory of this approach is that one would not pay more than one would have to pay for an equally desirable alternative. By adopting this approach, we will first look for an indication of value from the prices of other similar companies or equity interest in companies that were sold recently.

The right transactions employed in analysing for indications of value need to be sold at an arm's length basis, assuming that the buyers and sellers are well informed and have no special motivations or compulsions to buy or to sell. The derived multiples (such as price-to-earnings, price-to-sales, and price-to-book ratios) based on the analysis of those transactions are then applied to the fundamental financial variables of the subject business entity to derive an indication of value.

Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for a business entity than the cost to obtain a business entity of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of a business entity and making deductions for physical deterioration and all other relevant forms of obsolescence.

From a valuation perspective, we will restate the values of all types of assets and liabilities of a business entity from book values, i.e. historical cost minus depreciation to appropriate standards of value. After the restatement, we can identify the indicated value of the business entity, or, by applying the accounting principle "assets minus liabilities", to arrive at the value of the equity interest of the business entity.

Income Approach

The income approach provides an indication of value by converting future cash flows to a single current value. Under the income approach, the value of a business entity is determined by reference to the value of income, cash flow or cost savings generated by the business entity. The underlying theory of this approach is that the value of a business entity can be measured by the present worth of the economic benefits to be received over the life of the business entity.

Based on this valuation principle, the income approach estimates the future economic benefits and discounts these benefits to the present value using a discount rate appropriate for the risks associated with realizing those benefits. Alternatively, this can be calculated by capitalizing the economic benefits to be received in the next period at an appropriate capitalization rate. This is subject to the assumption that the business entity will continue to maintain stable economic benefits and growth rate.

6.2. Selection of Approach

To select the most appropriate approach, we have considered the purpose of this valuation and the resulting premise of value as well as the availability and reliability of information related to the Target Company to perform this analysis. We have also considered the relative advantages and disadvantages of each approach having regard to the nature and circumstances of the Target Company.

In this valuation, the income approach is inappropriate as this approach requires detailed operational information and long-term financial projections of the Target Company but such information is not available. The market approach is not appropriate as there are insufficient relevant comparable transactions to form a reliable basis for our valuation. We have therefore solely relied on the cost approach in determining our opinion of value.

We have adopted summation method under the cost approach to obtain the aggregate Market Value of the assets and liabilities of the Target Company. Under the summation method, each asset and liability of the Target Company is being valued using the appropriate valuation approach, and our opinion of value is derived by adding the component assets and deducting the component liabilities.

6.3. Summation Method

The following table lists out the valuation approach adopted for each asset and liability:

Balance Sheet Item	Valuation Approach
Property, plant, and equipment	Cost approach was adopted in the estimation of the Market Value. Property, plant, and equipment include office equipment and motor vehicle such as a forklift. The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence present (physical, functional or economical), taking into consideration past and present maintenance policy and rebuilding history. The cost approach generally furnishes the most reliable indication of value for assets without a known used market.
Construction in progress ("**CIP**")	The book value was taken as provided by the Management. CIP includes injection molding machines and an air compressor. We have cross-checked the total cost after completion and it was in line with the Market Value.
Inventories	The book value was taken as provided by the Management. Inventories were mostly raw material samples from suppliers, molds for manufacturing, and final product components like plastics and zippers. The majority of inventories were purchases very close to the Valuation Date as shown in sampled invoices. Therefore, we safely assumed there would not be material differences between the book value and the Market Value.
Prepayments, deposits and other receivables	The book values were taken as provided by the Management. The majority of these balance sheet items are prepayments, which were mostly made for the purchase of machineries and equipment that matches with sampled sale and purchase contracts. Deposits were mostly operating property deposits including the plant and the office. Both prepayments and deposits did not have a significant financing component, thus discounting for the Market Value estimation was not required. The Target Company did not have any other receivables.
Cash and cash equivalents	The book value was taken as provided by the Management.

Balance Sheet Item	Valuation Approach
Trade payables and accruals, other payables and receipts in advance	The book values were taken as provided by the Management. These balance sheet items were payable for operations; including payable to raw material suppliers and individual income tax. The Target Company did not have any receipts in advance.
Amount due to a holding company	The book value was taken as provided by the Management.

Breakdown of the assets and liabilities under 100% equity interest in the Target Company as at the Valuation Date is shown in RMB as follows:

Asset	Book Value (RMB)	Market Value (RMB)
Property, plant and equipment	621,980	622,337
Construction in progress	3,009,558	3,009,558
Inventories	108,503	108,503
Prepayments, deposits and other receivables	3,293,939	3,293,939
Cash and cash equivalents	896,183	896,183
Total assets	**7,930,162**	**7,930,520**

Liability	Book Value (RMB)	Market Value (RMB)
Trade payables	610,105	610,105
Accruals, other payables and receipts in advance	113,243	113,243
Due to a holding company	1,900,068	1,900,068
Total liabilities	**2,623,417**	**2,623,417**
Net asset value	**5,306,747**	**5,307,103**

Note: Figures may not add up due to rounding

7. VALUATION ASSUMPTIONS

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at our assessed value. The following key assumptions have been made in this valuation:

- The valuation was primarily based on the unaudited financial information of the Target Company as at the Valuation Date provided to us;

- To continue as a going concern, the Target Company has, or will have, the resources (financial, human and physical) needed to successfully carry out current and future business operations;

- The information made available to us by the Client is truthful, accurate and without any hidden or unexpected conditions associated with the Target Company that might adversely affect the reported values;

- Interest rates and exchange rates in the localities for the operations of the Target Company will not differ materially from those presently prevailing;

- The contractual parties of the relevant agreements will act in accordance with the terms and conditions of the agreements and understandings between the parties and will be renewable upon expiry, if applicable;

- All relevant consents, business certificates, licenses or other legislative or administrative approvals from any local, provincial or national government, or private entity or organization required to operate in the localities where the Target Company operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and

- There will be no major changes in the political, legal, technological, economic or financial conditions and taxation laws in the localities in which the Target Company operates or intends to operate, which would adversely affect the development of the Target Company.

8. LIMITING CONDITIONS

Our conclusion of the value is derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. No opinion is intended to be expressed for matters which require legal, audit or other specialised expertise, which is out of valuers' capacity.

In preparing this report, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Client and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the truth and accuracy of such information. Our report was used as part of the analysis of the Client in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of our derived value rests solely with the Client.

Public industry and statistical information have been obtained from the sources that we deem to be reputable. However, we make no representation as to the accuracy and completeness of such information, and have accepted the information without any verification.

The Management has reviewed and agreed on the report, and confirmed the basis, assumptions, calculations and results are appropriate and reasonable. The use of and/or the validity of the report is subject to the terms of proposal and the full settlement of the fees and all the expenses.

We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported result. Further, we assume no responsibility for changes in market conditions, government policy or other events after the Valuation Date. We cannot provide assurance on the achievability of the results estimated by the Client and/or Target Company because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecast results is dependent on actions, plans and assumptions of the Management.

We have not investigated the title to or any legal liabilities of the Target Company and have assumed no responsibility for the title to the Target Company.

In accordance with our standard practices, we must state that this report is for the exclusive use of the party to whom it is addressed and for the specific purpose stated above. Furthermore, the report and conclusion of value are not intended by the author, and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of value represents the consideration based on information furnished by the Client and other sources. No responsibility is accepted to any third party for the whole or any part of its contents.

Save as and except for the purpose stated above, neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

Actual transactions involving the valuation subject might be concluded at a higher or lower value, depending upon the circumstances of the transaction, and the knowledge and motivation of the buyers and sellers at that time.

9. REMARKS

Our opinion of value is presented in RMB unless otherwise stated.

We hereby confirm that we have neither present nor prospective interests in the Target Company, the Client and their associated companies or the value reported herein.

10. OPINION OF VALUE

Based on the investigation and analysis stated above and on the valuation method employed, we are of the opinion that the Market Value of 100% equity interest in the Target Company as at the Valuation Date was stated as **RMB5,307,000 (RENMINBI FIVE MILLION THREE HUNDRED AND SEVEN THOUSAND ONLY)**.

Respectfully submitted,
For and on behalf of
GRAVAL CONSULTING LIMITED

Kelvin C.H. Chan, *CFA, FCCA, RICS Registered Valuer, MRICS*
Chairman

Analysed and reported by : **Lawrence K.W. Chan,** *MRICS, MHKIS, RPS(GP) MCIREA, MHIREA, MHKIM, RICS Registered Valuer*
Partner

: **Terry S.W. Hui**, *CFA, FRM, MRICS*
Director

: **Ivan K.H. Mak,** *CFA*
Assistant Manager

: **Marvin T.Y. Chan**, *CFA*
Assistant Manager

APPENDIX I – VALUER BIOGRAPHY

Kelvin C.H. Chan, *CFA, FCCA, RICS Registered Valuer, MRICS*
Chairman

Mr. Kelvin C.H. Chan is a Chartered Financial Analyst (CFA) Charterholder, a chartered member of the Royal Institution of Chartered Surveyors (RICS) and a fellow member of the Association of Chartered Certified Accountants (ACCA). He has been working in the financial industry since 1996, with experiences covering the area of corporate banking, equity analysis and business valuation.

Lawrence K.W. Chan, *MRICS, MHKIS, RPS(GP) MCIREA, MHIREA, MHKIM, RICS Registered Valuer*
Partner

Mr. Lawrence K.W. Chan is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong institute of Surveyors, Registered Professional Surveyors in the General Practice Section and a member of China Institute of Real Estate and Agents, who has over 19 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asia-Pacific Rim.

Terry S.W. Hui, *CFA, FRM, MRICS*
Director

Mr. Terry S.W. Hui holds the CFA designation, the Financial Risk Manager (FRM) designation and a membership of RICS. He has over 10 years' experience in providing valuation and related advisory services to listed and private companies of different industries in the PRC, Hong Kong and Singapore in connection with financial reporting and merger and acquisition.

Ivan K.H. Mak, *CFA*
Assistant Manager

Mr. Ivan Mak was graduated from The Hong Kong Polytechnic University who has over 9 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asian Rim.

Marvin T.Y. Chan, *CFA*
Assistant Manager

Mr. Marvin T.Y. Chan is a CFA Charterholder. He obtained his Bachelors' Degree in Business Administration majoring in Finance from the University of Washington. He has been working in the financial industry since 2019, with past experience in asset management, investment advisory, and financial market research.

APPENDIX II – SITE VISIT PHOTOS

Production Factory

Injection Molding Machines

Air Compressors

Forklift

END OF REPORT

NET PACIFIC FINANCIAL HOLDINGS LIMITED

(Incorporated in Singapore on 9 January 2003)
(Company registration no. 200300326D)

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Net Pacific Financial Holdings Limited (the "**Company**") will be held at The Pavilion, KLOUD Keppel Bay Tower, 1 HarbourFront Avenue, Level 13 Keppel Bay Tower, Singapore 098632 on 23 February 2024 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the following ordinary resolutions:

*All capitalised terms in the Notice of EGM which are not defined herein shall have the same meaning ascribed to them in the Circular to Shareholders dated 6 February 2024 (the "**Circular**").*

Ordinary Resolution 1: The Proposed Joint Venture and Acquisition

Contingent upon the passing of Ordinary Resolution 2, that:

(a) the Proposed Joint Venture and Acquisition be and are hereby approved and confirmed in all respects;

(b) the entry by the Company into the JVA and the performance of its obligations thereunder be and is hereby approved, confirmed and ratified;

(c) the entry by the JV Company into the STA and SHA and the performance of its obligations thereunder be and is hereby approved, confirmed and ratified;

(d) the Directors be and are hereby authorised to from time to time amend, modify and/or supplement the terms of the JVA, STA and SHA as such Directors or any of them may deem appropriate; and

(e) the Directors be and are hereby authorised to complete and do all such acts and things (including, without limitation, approving, modifying, ratifying, signing, sealing, executing and delivering all such agreements, contracts, documents, notices, deeds or instruments as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Joint Venture and Acquisition and/or this ordinary resolution.

Ordinary Resolution 2: The Proposed Diversification

Contingent upon the passing of Ordinary Resolution 1, that:

(a) approval be and is hereby given for the diversification by the Group of its Existing Business to include the Golf Business and Luggage Business as described in the Circular, and any other activities related to the Golf Business and Luggage Business;

(b) subject to compliance with the Catalist Rules, the Company (directly and/or through its subsidiaries) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of from time to time, any such assets, businesses, investments and shares/interests in any entity that is in the Golf Business and Luggage Business for the purpose of or in connection with the Proposed Diversification on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase acquisition or disposal or to effect the Proposed Diversification; and

(c) the Directors be and hereby authorised to complete and do all such acts and things (including, without limitation, approving, modifying, ratifying, signing, sealing, executing and delivering all such agreements, contracts, documents, notices, deeds or instruments as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Diversification and/or this ordinary resolution.

BY ORDER OF THE BOARD

Gn Jong Yuh Gwendolyn
Chong Kian Lee
Joint Company Secretaries

Singapore, 6 February 2024

Important Notes to Shareholders on arrangements for the Annual General Meeting:

1. The Extraordinary General Meeting ("**EGM**") will be held physically at The Pavilion, KLOUD Keppel Bay Tower, 1 HarbourFront Avenue, Level 13 Keppel Bay Tower, Singapore 098632 on Friday, 23 February 2024 at 2.00 p.m.. There will be no option for Shareholders to participate virtually.

2. The Circular, together with this Notice of EGM, the accompanying Proxy Form, and Request Form have been made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the website of the Company at the URL https://www.netpac.com.sg/announcement-2024. A hardcopy of the Circular will not be sent to shareholders. However, the Notice of EGM and accompanying Proxy Form and Request Form, will be mailed to all Shareholders. Shareholders may request printed copies of the Circular by completing and returning the Request Form no later than Tuesday, 13 February 2024.

3. Arrangements relating to submission of comments, queries and/or questions to the Chairman of the EGM in advance of and at the EGM of the Company, addressing of substantial and relevant comments, queries and/or questions at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms and during the EGM, and voting physically or appointing proxy(ies) (including the Chairman of the EGM) to vote at the EGM of the Company, are set out in this Notice of EGM.

4. The Company has decided that the forthcoming EGM will be held at The Pavilion, KLOUD Keppel Bay Tower, 1 HarbourFront Avenue, Level 13 Keppel Bay Tower, Singapore 098632. There will be no option for Shareholders to participate virtually at the EGM. Shareholders (whether individual or corporate) may vote at the EGM by themselves or may appoint proxy(ies) (including the Chairman of the EGM) to attend, speak and vote on his/her/its behalf at the EGM in accordance with the instructions on the Proxy Form if such Shareholder wishes to exercise his/her/its voting rights at the EGM.

5. A Shareholder:

   (a) who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM on his/her/its behalf. Where such Shareholder's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy;

   (b) who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM on his/her/its behalf, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder's form of proxy appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy. Where a member appoints more than (2) proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "**Relevant Intermediary**" shall have the same meaning ascribed to it in Section 181 of the Companies Act 1967.

6. CPF/SRS investors:

   (a) may vote at the EGM if they are appointed as proxies by their respective CPF agent banks or SRS operators, and should contact their respective CPF agent banks or SRS operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the EGM as proxy, in which case they should approach their respective CPF agent banks or SRS operators to submit their votes by 2.00 p.m. on Tuesday, 13 February 2024 (that is, at least seven (7) working days before the date of the EGM).

7. Duly appointed proxy(ies), including the Chairman of the EGM acting as proxy, need not be a Shareholder of the Company. A Shareholder may choose to appoint the Chairman of the EGM as his/her/its proxy.

8. The Proxy Form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the Company's registered office at 35 Selegie Road, #10-25, Parklane Shopping Mall, Singapore 188307; or
   (b) if submitted by email, in Portable Document Format (PDF) format to the Company at admin@netpac.com.sg
   in either case, by 2.00 p.m. on Tuesday, 20 February 2024 (that is, not less than 72 hours before the time fixed for holding the EGM). A Shareholder who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means.

9. Shareholders may submit comments, queries and/or questions relating to the resolutions in the Notice of EGM in advance of the EGM of the Company, in the following manner:

   (a) if submitted by post, to the Company's registered office at 35 Selegie Road, #10-25, Parklane Shopping Mall, Singapore 188307; or
   (b) if submitted by way of electronic means, be submitted via email to the Company at admin@netpac.com.sg,

   in either case, by 2.00 p.m., Tuesday, 13 February.

10. Shareholders or (where applicable) their duly appointed proxy(ies) and representatives will also be able to raise questions at the EGM of the Company itself.

11. The Company will endeavour to address all substantial and relevant comments, queries and/or questions received from Shareholders before the EGM. The Company will publish its responses to comments, queries and/or questions on the Company's website at the URL https://www.netpac.com.sg/announcement-2024 and on SGXNET at the URL https://www.sgx.com/securities/company-announcements prior to the EGM.

12. Shareholders and (where applicable) duly appointed proxies and representatives may participate in the EGM physically at The Pavilion, KLOUD Keppel Bay Tower, 1 HarbourFront Avenue, Level 13 Keppel Bay Tower, Singapore 098632. There will be no option for Shareholders to participate virtually.

13. The Company will publish the minutes of the EGM on the Company's website at the URL https://www.netpac.com.sg/announcement-2024 and on SGXNET at the URL https://www.sgx.com/securities/company-announcements within one (1) month after the EGM.

Personal data privacy:

By submitting the Proxy Form appointing a proxy(ies) (including the Chairman of the EGM) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder of the Company (a) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (b) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty. In addition, by attending the EGM and/or any adjournment thereof, a Shareholder consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for any of the Purposes.

IMPORTANT

1. The Extraordinary General Meeting ("**EGM**") will be held physically The Pavilion, KLOUD Keppel Bay Tower, 1 HarbourFront Avenue, Level 13 Keppel Bay Tower, Singapore 098632 on Friday, 23 February 2024 at 2.00 p.m.. There will be no option for Shareholders to participate virtually.
2. Pursuant to Section 181(1C) of the Companies Act 1967, Relevant Intermediaries (as defined in the Companies Act) may appoint more than 2 proxies to attend, speak and vote at the EGM.
3. CPF/SRS investors:
   (a) may vote at the EGM if they are appointed as proxies by their respective CPF agent banks or SRS operators, and should contact their respective CPF agent banks or SRS operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the EGM as proxy, in which case they should approach their respective CPF agent banks or SRS operators to submit their votes by 2.00 p.m. on Tuesday, 13 February 2024 (that is, at least seven (7) working days before the date of the EGM).
4. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by CPF Investors and SRS Investors.

NET PACIFIC FINANCIAL HOLDINGS LIMITED

(Incorporated in Singapore on 9 January 2003)
(Company registration no. 200300326D)

EXTRAORDINARY GENERAL MEETING PROXY FORM

I/We, ______________________ (name) _____________ (NRIC/Passport/Company Registration Number) of ____ (address) being a member/members of Net Pacific Financial Holdings Limited (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or*

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him/her*, the Chairman of the EGM as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the EGM to be held at The Pavilion, KLOUD Keppel Bay Tower, 1 HarbourFront Avenue, Level 13 Keppel Bay Tower, Singapore 098632 on Friday, 23 February 2024 at 2.00 p.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the resolution to be proposed at the EGM as indicated hereunder.

** Please delete where appropriate.*

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Ordinary Resolutions	For**	Against**	Abstain**
1	**Resolution 1** The Proposed Joint Venture and Acquisition			
2	**Resolution 2** The Proposed Diversification			

*** If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick (✓) in the box provided. Otherwise, please indicate the number of votes as appropriate. In the absence of specific directions in respect of a resolution, the appointment of proxy(ies) for that resolution will be treated as invalid.*

Voting will be conducted by poll

Dated this day of 2024

Total number of Shares in:	**No. of Shares**
(a) Depository Register	
(b) Register of Members	

Signature or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES BELOW CAREFULLY BEFORE COMPLETING THIS FORM

Notes:

1. The Extraordinary General Meeting ("**EGM**") will be held at The Pavilion, KLOUD Keppel Bay Tower, 1 HarbourFront Avenue, Level 13 Keppel Bay Tower, Singapore 098632 on Friday, 23 February 2024 at 2.00 p.m.. There will be no option for Shareholders to participate virtually.

2. The Circular, together with this Notice of EGM, the accompanying Proxy Form and Request Form, have been made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the website of the Company at the URL https://www.netpac.com.sg/announcement-2024. A hardcopy of the Circular will not be sent to shareholders. However, the Notice of EGM accompanying Proxy Form, and Request Form will be mailed to all Shareholders.

3. Arrangements relating to submission of comments, queries and/or questions to the Chairman of the EGM in advance of and at the EGM of the Company, addressing of substantial and relevant comments, queries and/or prior to the EGM and during the EGM, and voting physically or appointing proxy(ies) (including the Chairman of the EGM) to vote at the EGM of the Company, are set out in this Notice of EGM.

4. Shareholders (whether individual or corporate) may vote at the EGM by themselves or may appoint proxy(ies) (including the Chairman of the EGM) to attend, speak and vote on his/her/its behalf at the EGM in accordance with the instructions on the Proxy Form if such Shareholder wishes to exercise his/her/its voting rights at the EGM.

5. A Shareholder:

   (a) who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM on his/her/its behalf. Where such Shareholder's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy;

   (b) who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM on his/her/its behalf, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder's form of proxy appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy. Where a member appoints more than (2) proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "**Relevant Intermediary**" shall have the same meaning ascribed to it in Section 181 of the Companies Act 1967.

6. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.

7. CPF/SRS investors:

   (a) may vote at the EGM if they are appointed as proxies by their respective CPF agent banks or SRS operators, and should contact their respective CPF agent banks or SRS operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the EGM as proxy, in which case they should approach their respective CPF agent banks or SRS operators to submit their votes by 2.00 p.m. on Tuesday, 13 February 2024 (that is, at least seven (7) working days before the date of the EGM).

8. Duly appointed proxy(ies), including the Chairman of the EGM acting as proxy, need not be a Shareholder of the Company. A Shareholder may choose to appoint the Chairman of the EGM as his/her/its proxy.

9. The Proxy Form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the Company's registered office at 35 Selegie Road, #10-25, Parklane Shopping Mall, Singapore 188307; or

   (b) if submitted by email, in Portable Document Format (PDF) format to the Company at admin@netpac.com.sg

   in either case, by 2.00 p.m. on Tuesday, 20 February 2024 (that is, not less than 72 hours before the time fixed for holding the EGM). A Shareholder who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means.

10. Where this Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where this Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

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

GENERAL:

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the Shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the EGM, as certified by the Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend, speak and vote at the EGM unless his name appears on the Depository Register 72 hours before the time set for the EGM.

PERSONAL DATA PRIVACY:

By submitting the Proxy Form appointing a proxy(ies) (including the Chairman of the EGM) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder of the Company (a) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (b) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty. In addition, by attending the EGM and/or any adjournment thereof, a Shareholder consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for any of the Purposes.